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Supreme Court of the United States

October Term 1964.

No. 1006

T. B. HARMS COMPANY,
Petitioner,

vs.

EDWARD ELISCU and ROSS JUNGNICKEL, INC.,
Respondents.

Petition for a Writ of Certiorari to the United States Court of Appeals for the Second Circuit.

GUSTAVE B. GARFIELD,
Attorney for Petitioner,
122 East 42nd Street,
New York, N. Y.

THE REPORTER COMPANY, INC., New York, N. Y. 10007—RE 2-6978—1965

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Supreme Court of the United States

OCTOBER TERM 1964.

T. B. HARMS COMPANY,

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vs.

EDWARD ELISCU and ROSS JUNGNICKEL, Inc.,

Respondents.

Petition for a Writ of Certiorari to the United States Court of Appeals, Second Circuit.

Comes now the petitioner T. B. Harms Company, a corporate body, and respectfully petitions this court for a writ of certiorari, to review the judgment of the United States Court of Appeals, Second Circuit, entered on December 23, 1964, which affirmed a judgment of the U. S. District Court for the Southern District of New York, Edward Weinfeld, Judge, 226 F. Supp. 337 (1964), dismissing for want of federal jurisdiction, an action arising under the Copyright Laws of the U. S., brought by petitioner for a declaratory judgment against the co-author of the lyrics, Edward Eliscu and his assignee, Ross Jungnickel, Inc., both of whom claimed a partial ownership in the renewal rights of four musical compositions, owned by the petitioner and which were composed in 1933, by the noted composer, Vincent Youmans, for the motion picture, "Flying Down to Rio" [Rule 23 (1) (a)]. Said motion picture was produced by RKO Studios, Inc., the employer for hire of the lyricist, Eliscu.

The opinion of the U. S. Court of Appeals is printed in the appendix to this petition and is reported in 329 F. 2d 823 (1964).

Petitioner made timely motion for rehearing on January 5, 1965 (Volume III, p. 27A), which was within 15 days of the judgment of affirmance. The motion for rehearing was denied on January 14, 1965, and in consequence the petition for a writ of certiorari, if filed in this court on or before April 14, 1965, will be timely [Rule 23 (1) (b) (ii)].

The statutory provision believed to confer jurisdiction on this court to review the judgment or decree in question is §2201 of Title 28, USCA and Rule 19 of the rules of this court, in that there are special and important reasons for this court to pass upon and decide the questions presented [Rule 23 (1) (b) (iii)].

The Questions Presented for Review.

Q1. Whether "an action wherein the purported sole owner of a copyright alleged that persons claiming partial ownership had recorded their claim in the Copyright Office and had warned his licensees against disregarding their interest was not one 'arising under any Act of Congress relating to * * * copyrights' over which 28 U. S. C., §1338, gives the federal courts exclusive jurisdiction"?

Q2. Is the proprietor, of a copyright seeking a declaratory judgment in the district court, that an employee for hire has no right of renewal whatsoever under the renewal provisions of the Copyright Law (Title 17, U. S. C., Section 24) entitled to a declaration of title in himself in the district court which has exclusive jurisdiction thereof or is he relegated to the state courts in an action theretofore commenced against him by the employee for hire, in which the employee alleges his rights which purportedly arose under the Copyright Law?

Q3. Where the assignee of an employee for hire places his alleged assignment of record in the office of the Register of Copyright pursuant to Section 28 of the Copyright Law, has he not placed a cloud upon the title of the sole proprietor which the proprietor may have removed in an action for a declaratory judgment brought by him in the district court having exclusive jurisdiction, or is the sole proprietor relegated to the state courts in a prior action commenced against him by the lyricist, who claims his rights in that court arising under the Copyright Law?

Q4. Whether an employee lyricist for hire has any renewal rights whatsoever in a copyright under Section 24 of the Copyright Law in a case where *a corporate body* has obtained the original copyright (otherwise than as assignee or licensee of the individual author) and renewal copyright has been obtained by the proprietor at the time of renewal?

Q5. Whether the proprietor of a copyright may maintain an action in the U. S. District Court for threatened infringement by the assignee of the lyricist employee for hire, who has threatened to publish in hostility to the proprietor?

Q6. Whether a lyricist, claiming rights of renewal in hostility to the proprietor of the copyrights who has made claim upon proprietor's agent for the statutory royalties granted to the proprietor under Section 1 (e) of the Copyright Law, has not thereby invoked a remedy accruing to him under an Act of Congress subjecting himself to the jurisdiction of the U. S. Courts for a declaration of all alleged claims of himself and the proprietor?

Q7. Whether a lyricist employee for hire, who has agreed with the composer and publisher for a division of royalties for the initial term of copyright, of one-

quarter of the royalties, may for the renewal term seek and obtain a greater share of the publication royalties from the publisher?

Q8. Whether a contract of employment by which a lyricist or author was constituted an employee for hire and by which he completely divests himself of any right in the original term of copyright and its renewal term, which contract is annexed to the complaint of the proprietor seeking declaratory judgment as an exhibit, is part of the pleading for all purposes under Rule 10 (c) F.R.C.P. or whether it can be disregarded by the lower courts in construing the rights and remedies of the parties as was done by the lower courts in this case?

The Constitutional and Statutory Provisions Involved (d).

1. Provisions of the Constitution *re* Copyright Legislation by Congress.

U. S. Constitution. Sept. 17, 1787.

> "Article 1, Section 8. The Congress shall have power * * * to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

2./ Relevant Provisions of Title 28 U. S. C. *Judiciary and Judicial Procedure.*

§1338. Patents, Copyrights, Trade Marks and Unfair Competition.

(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trade-marks.

Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases.

(b) The district courts shall have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent or trade-mark laws.

§2201. DECLARATORY JUDGMENT. *Creation of remedy.* In a case of actual controversy within its jurisdiction, except with respect to Federal taxes, any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought. Any such declaration shall have the force and effect of a final judgment or decree and shall be reviewable as such.

Federal Rules of Civil Procedure.

Rule 10 (c) *Adoption by reference; exhibits* "* * * A copy of any written instrument which is an exhibit to a pleading is a part thereof for all purposes."

3. Pertinent Portions of the Copyright Law of the United States.

(Title 17, U. S. Code—Copyrights. [Act of July 30, 1947 (61 Stat. 652)] as amended. The former basic Act was that of March 4, 1909, as amended. The substance of the 1909 Act is contained in the Act of July 30, 1947, with changes in form.)

§1. Exclusive Rights as to Copyrighted Works—Any person entitled thereto, upon complying with the provisions of this title, shall have the exclusive right:

(a) To print, publish, copy, and vend the copyrighted work:

* * * * * * *

(e) To perform the copyrighted work publicly for profit if it be a musical composition and for the purpose of public performance for profit, and for the purposes set forth in subsection (a) hereof, to make any arrangement or setting of it or of the melody of it in any system of notation or any form of record in which the thought of an author may be recorded and from which it may be read or reproduced: *Provided*, That the provisions of this title, so far as they secure copyright controlling the parts of instruments serving to reproduce mechanically the musical work, shall include only compositions published and copyrighted after July 1, 1909, and shall not include the works of a foreign author or composer unless the foreign state or nation of which such author or composer is a citizen or subject grants, either by treaty, convention, agreement, or law, to citizens of the United States similar rights. And as a condition of extending the copyright control to such mechanical reproductions, that whenever the owner of a musical copyright has used or permitted or knowingly acquiesced in the use of the copyrighted work upon the parts of instruments serving to reproduce mechanically the musical work, any other person may make similar use of the copyrighted work upon the payment to the copyright proprietor of a royalty of 2 cents on each such part manufactured, to be paid by the manufacturer thereof; and the copyright proprietor may require, and if so the manufacturer shall furnish, a report under oath on the 20th day of each month on the number of parts of instruments manufactured during the previous month serving to reproduce mechanically said musical work, and royalties shall be due on the parts manufactured during any month upon the 20th of the next succeeding month. The payment of the royalty provided for by this section shall free the articles or devices for which such royalty has been paid from further contribution to the copyright except in case of public performance for

profit. It shall be the duty of the copyright owner, if he uses the musical composition himself for the manufacture of parts of instruments serving to reproduce mechanically the musical work, or licenses others to do so, to file notice thereof, accompanied by a recording fee, in the copyright office, and any failure to file such notice shall be a complete defense to any suit, action, or proceeding for any infringement of such copyright.

In case of failure of such manufacturer to pay to the copyright proprietor within thirty days after demand in writing the full sum of royalties due at said rate at the date of such demand, the court may award taxable costs to the plaintiff and a reasonable counsel fee, and the court may, in its discretion, enter judgment therein for any sum in addition over the amount found to be due as royalty in accordance with the terms of this title, not exceeding three times such amount.

The reproduction or rendition of a musical composition by or upon coin-operated machines shall not be deemed a public performance for profit unless a fee is charged for admission to the place where such reproduction or rendition occurs.

* * * * * * *

§24. Duration; Renewal and Extension—The copyright secured by this title shall endure for twenty-eight years from the date of first publication, whether the copyrighted work bears the author's true name or is published anonymously or under an assumed name: *Provided*, That in the case of any posthumous work or of any periodical, cyclopedic, or other composite work upon which the copyright was originally secured by the proprietor thereof, or of any work copyrighted by a corporate body (otherwise than as assignee or licensee of the individual author) or by an employer for whom such work is made for hire, the proprietor of such

copyright shall be entitled to a renewal and extension of the copyright in such work for the further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright: *And provided further,* That in the case of any other copyright work, including a contribution by an individual author to a periodical or to a cyclopedic or other composite work, the author of such work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children, be not living, then the author's executors, or in the absence of a will, his next of kin shall be entitled to a renewal and extension of the copyright in such work for a further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of original term of copyright: *And provided further,* That in default of the registration of such application for renewal and extension, the copyright in any work shall determine at the expiration of twenty-eight years from first publication.

§26. TERMS DEFINED. In the interpretation and construction of this title * * * the word "author" shall include an employer in the case of works made for hire.

§28. ASSIGNMENTS AND BEQUESTS. Copyright secured under this title or previous copyright laws of the United States may be assigned, granted, or mortgaged by an instrument in writing, signed by the proprietor of the copyright, or may be bequeathed by will.

§101. INFRINGEMENT. If any person shall infringe the copyright in any work protected under the copyright laws of the United States such person shall be liable:

(a) INJUNCTION. To an injunction restraining such infringement:

§112. INJUNCTIONS: SERVICE AND ENFORCEMENT. Any Court mentioned in Section 1338 of Title 28 or judge thereof shall have power, upon complaint filed by any party aggrieved, to grant injunctions to prevent and restrain the violation of any right secured by this title, according to the course and principles of courts of equity, on such terms as said court or judge may deem reasonable. * * *

§201. COPYRIGHT OFFICE: PRESERVATION OF RECORDS: All records and other things related to copyrights required by law to be preserved shall be kept in the copyright office, Library of Congress, District of Columbia, and shall be under the control of the register of copyrights, who shall under the direction and supervision of the Librarian of Congress, perform all the duties relating to the registration of copyrights.

Statement of Case.

This case involves the United States renewal rights to four copyrighted musical compositions, which were copyrighted in the year 1933 by the petitioner, T. B. Harms Company, the publisher of said four musical compositions, the music for which was written by Vincent Youmans, while the lyrics were written by the co-lyricists, Edward Eliscu and Gus Kahn. Concededly the renewal rights of the children of Youmans and the widow and children of Gus Kahn are now vested in the petitioner, T. B. Harms Company (hereafter Harms). The basic question before the courts below and before this court is Did the United States District Courts have exclusive jurisdiction to determine in whom title was vested in the alleged renewal rights of Edward Eliscu?

The courts below have granted summary judgment dismising the complaint on affidavits and have held that the district court was without any jurisdiction whatsoever in the matter, although it clearly appeared that the action arises under an Act of Congress which vests the district courts with original jurisdiction in civil actions relating to copyrights arising under an Act of Congress (Title 28, §1338 [a] U. S. C.) to the exclusion of the state courts.

Claiming the independent right as co-author of the lyrics to a renewal of copyright in his own name, Edward Eliscu, his wife, Stella Eliscu, and their two children, Peter and David Eliscu, on January 1, 1960, assigned their prospective rights of renewal to respondent Ross Jungnickel, Inc. The said assignment was recorded in the office of the Register of Copyrights by Ross Jungnickel, Inc., purportedly under Section 28 of the Copyright Law in Volume 1066, page 403 of assignments on March 3, 1960 (p. 70a—App.). Claiming ownership under said assignment, Ross Jungnickel, Inc., threatened to publish and to exercise all rights of ownership in said renewal rights to the four musical compositions (p. 68a—App.) Ross Jungnickel's vice president, Lewis A. Dreyer, while denying a threat to infringe did assert "I told him (Harms' attorney, Ebenstein) that RJ's rights, if any, were purely contingent and would not ripen until a declaration by a court of competent jurisdiction vested the rights in Eliscu" (p. 69a—App.).

Despite the placing of the initial assignment of record, the threats of infringement by Ross Jungnickel, the placing of an assignment of record after the alleged renewal by Eliscu in his own name; despite the interference by Eliscu with Harms conceded royalties arising under the Copyright Law, the U. S. Court of Appeals has held that the district courts have no jurisdiction in the matter.

Petitioner, T. B. HARMS COMPANY (hereinafter Harms) is a corporate body engaged in the music publishing business (App. p. 5a). On November 20, 1933, Harms, in its capacity as publisher, obtained original copyrights from the Register of Copyrights of the United States on three musical compositions, "Flying Down to Rio" #39120, "Orchids in the Moonlight" #39199 and "Music Makes Me" #39121. On December 27, 1933, Harms obtained an additional original copyright on a musical composition called "Carioca" #39633 (App. pp. 13a-14a). The music for these four musical compositions was written by the famous composer, Vincent Youmans, and the lyrics were written as co-lyricists by Edward Eliscu and Gus Kahn. Such original copyrights were obtained by Harms, a corporate body (otherwise than as assignee or licensee of the individual author) acting on behalf of the employer for hire RKO, of Edward Eliscu, under the following circumstances.

On March 4, 1933, Youmans, then a well-known composer, entered into a contract in writing with a producer of motion pictures RKO Studios, Inc. (hereafter RKO) to compose the music to be included in a photoplay to be called "Flying Down to Rio." Youmans agreed to write the music for three musical compositions (1) an American Fox Trot to be called "Flying Down to Rio" (2) an exotic Brazilian cabaret dance proposed to be entitled "Carioca" and (3) an Argentine Tango, and all incidental music to be included in said photoplay. For his compensation Youmans was to receive both a fixed monetary stipend and more importantly Youmans was to receive the publication rights (sheet music and mechanical records) *on both the music and the lyrics for the original term of copyright and renewals thereof.* RKO agreed in Article 18 of the agreement to employ a lyricist to write the lyrics for the said musical compositions and to pro-

cure the publishing rights to the "sheet music and mechanical records" from said lyric writer for Youmans, his heirs and assigns, Youmans to pay to said lyric writer the usual and customary royalties on sheet music and mechanical records (App. pp. 6a-7a). Youmans was given the right to assign all or any part of the publication rights to any individual person, firm or corporation without limit (Article 26, App. p. 7a) and all publication rights in the musical material and small performing rights were reserved to Youmans and his successors and assigns (App. p. 7-a).

By Article 11 of said agreement of May 4, 1933, Youmans agreed to obtain copyrights in the United States and throughout the world immediately upon the completion of the musical material and to assign to RKO the right to use said musical material in the photoplay "Flying Down to Rio." Youmans further "*agree(d), upon request, to cause renewals of all copyrights to be obtained and to assign to us (RKO) said rights herein granted and conveyed under said copyrights for such renewal term*" (App. 7a).

Max Dreyfus was the principal stockholder of Harms. On May 10, 1933, Dreyfus and Youmans entered into an agreement by the terms of which Youmans gave to Dreyfus the sole and exclusive mechanical rights throughout the world on the musical compositions to be composed by Youmans for "Flying Down to Rio." It was provided in said agreement (App. 8a):

> "Under my (Youmans) contract with R.K.O. Pictures, *the lyrics* are to be turned over to me for publication with my music, and I hereby give you the sole and exclusive publication and mechanical rights for the civilized world of all such lyrics subject to the customary royalties on lyrics of numbers used in pictures."

On May 25, 1933, respondent, Edward Eliscu, a writer of lyrics, was employed by RKO for hire by a written contract which is Exhibit A annexed to the complaint, to write the lyrics for the above mentioned first three of the musical compositions. Under Rule 10(c) of the Federal Rules of Civil Procedure "A copy of any written instrument which is an exhibit to a pleading is a part thereof for all purposes." Said Exhibit A appears at pages 25a to 33a of the Appendix—Volume 1 of the Record.

An analysis of the May 25, 1933, agreement between Eliscu and RKO shows that Eliscu was an employee who agreed to write the lyrics to the music composed by Youmans to the satisfaction of RKO's Mr. Louis Brock, and to deliver complete copies thereof to RKO at the earliest date possible. Eliscu agreed to perform said services and do all things in connection therewith as instructed by RKO at all times including Sundays and holidays to the full limit of Eliscu's ability and to obey all directions, requests, rules and regulations made by RKO in connection with the services to be performed. At its election RKO had the right to assign one Gus Kahn as co-lyricist (App. p. 31a). This it did.

By Article 6 of said agreement of May 25, 1933, Eliscu granted all rights of every kind in the lyrics to RKO (App. 26a) which rights by Article 7 were to vest in RKO without the execution of further documents. Eliscu agreed to execute such "further assignments and or instruments which may be necessary to effectuate the purpose and intent of this present agreement" (Article 9—App. p. 28a). By Article 8 of said agreement of May 25, 1933, Eliscu further warranted that (Eliscu):

> *"Will not grant any right, license or privilege with respect to the Lyrics by which the rights granted herein and the full exercise thereof can*

> *be in any way encumbered, diminished or impaired; that you (Eliscu) will not, at any time, execute any further agreement or agreements in conflict herewith or cause or permit to be done any act or thing by which the rights herein granted may be in any way impaired*" (Article 8, pp. 27a-28a).

By Article 11 of the agreement of May 25, 1933, it was provided:

> *11 You (Eliscu) hereby agrees that, as soon as the Lyrics are registered for copyright in the United States of America, you will assign to us, under said copyright, the rights conveyed by you to us with respect to the Lyrics. Such assignment shall be executed in form substantially similar to the form hereto annexed and marked Exhibit 'A'.*"

*It is this Exhibit A, annexed to the employment agreement of May 25, 1933, between Eliscu and RKO which assigns all rights to the assignee RKO "for and during the existence of said copyrights AND ALL RENEWALS THEREOF" * * * "together with all those rights more specifically set forth in a certain agreement made and entered into May , 1933, between the said Vincent Youmans and RKO Studios, Inc. * * * all of the foregoing however being subject to the reservation of such rights as are specifically set forth in said agreement dated May , 1933*" (p. 32a-33a, App.).

Youmans composed the music for the three musical compositions "Carioca," "Flying Down to Rio" and "Orchids in the Moonlight" and Gus Kahn and Edward Eliscu coauthored the lyrics, prior to June 23, 1933.

On June 23, 1933, Max Dreyfus sent a telegram to Edward Eliscu as follows:

"June 23, 1933

Mr. Edward Eliscu
Legal Department
RKO Studios,
Los Angeles Calif.

This confirms my acceptance of publishing and mechanical rights your lyrics Flying Down to Rio picture and agreement to pay you one and two-thirds cents per copy and thirteen per cent mechanicals for United States and Canada and Eight and two-thirds per cent all foreign receipts.

Forwarding contracts, Regards.

MAX DREYFUS" (p. 10a—App.)

On June 27, 1933, Eliscu wrote the following letter to Vincent Youmans (Exhibit B to the complaint, p. 34a—App.):

"Los Angeles, California
June 27, 1933.

Mr. Vincent Youmans,
c/o RKO Studios, Inc.
780 Gower Street,
Los Angeles, California.

Dear Mr. Youmans:

This will acknowledge that I have made satisfactory arrangements with Max Dreyfus looking to my participation, as lyric writer, in the royalties which may accrue from the publication by Max Dreyfus of the musical compositions tentatively entitled 'Carioca,' 'Flying Down to Rio' and 'Orchids in the Moonlight' the lyrics for which compositions I wrote in collaboration with Mr. Gus Kahn.

In making the aforementioned arrangements with Max Dreyfus, I relied upon your representation that such arrangements was agreeable to you. The arrangement to which I refer has been the subject of telegraphic communications between myself and Max Dreyfus and is embodied in the formal agreement dated June , 1933, which Max Dreyfus has sent me for execution.

This acknowledgment is made in order that you may satisfy RKO Studios, Inc. that you have complied with the provisions of Article 18 of your agreement of employment with said RKO Studios, Inc. on your part to be performed.

Very truly yours,

EDWARD ELISCU"

Thus Eliscu adopted the provisions of Article 18 of the contract between Youmans and RKO Studios, Inc., dated May 4, 1933, by which RKO undertook "to employ a lyric writer for said musical material at our sole cost and expense and herewith undertake and agree to procure from said lyric writer for you, your heirs, executors, administrators and assigns, the publishing rights to said lyrics, you to pay to said lyric writer the usual and customary royalties on sheet music and mechanical records" (Complaint, par. 6, p. 7a—App.).

On June 29, 1933, Youmans and RKO entered into a further agreement whereby Youmans was to compose additional music. (Exhibit E to the complaint, pp. 40a-42a, App.). Youmans, having composed the music for the additional song entitled "Music Makes Me" for RKO, on August 7, 1933, RKO employed Eliscu to write the lyrics for this additional song "Music Makes Me" for the sum of $250, all of the remaining terms of the contract dated May 25, 1933, between Eliscu and RKO to remain in full force and effect (see Exhibit D to the complaint, p. 39a—App.). In the additional agreement (Exhibit E) between RKO and Youmans, it was provided (p. 41a—App.):

"3. *You hereby represent and warrant to us that you have heretofore entered into an arrangement with Edward Eliscu and Gus Kahn, with respect to their participation in royalties on sheet music and mechanical records*, and in order to induce us to enter into this agreement, and to make the payment

herein provided for *you have acknowledged, and hereby do acknowledge, full and complete performance by us of each and every term, covenant and condition of Article 18 of said agreement dated May 4, 1933, by us to be kept, performed or observed.*"

Upon completion of the four musical compositions they were published by petitioner Harms, a corporate body, and copyrights obtained in its name, for all four musical compositions in November and December, 1933.

By an instrument in writing dated January 2, 1934, and recorded in the office of the Register of Copyrights in Book 309, p. 171, Harms assigned the four copyrights to Max Dreyfus and Vincent Youmans (Complaint, par. 17, p. 14a —App.).

By an agreement dated January 25, 1934, between Youmans and Dreyfus on the one hand and RKO on the other Youmans and Dreyfus assigned to RKO the right to produce a motion picture known as "Flying Down to Rio" containing the four copyrighted musical compositions, reserving to themselves the sole and exclusive world-wide publication and commercial mechanical instrument rights in the above described number. (Complaint, par. 18—App. p. 14a.)

A memorandum made by A. M. Wattenberg, counsel to Harms in his own handwriting in 1934 showed that Eliscu was to receive 1 & 2/3¢ per copy for sheet music, 13¢ on mechanicals (records) and 8 & 2/3% of all other income, while his co-lyricist Kahn was to receive approximately the same percentage of royalties (App. p. 88a). On the other hand, Youmans, the composer, was to receive 4¢ per copy on sheet music, 25% on mechanicals and foreign and one-third of all other income (Exhibit D—App. pp. 87a-88a). Thus the composer and co-lyricist recognized the greater contribution of Youmans and the consequent distribution of royalties in proportion to their own estimate of their contributions to the success of the enterprise.

Since the initial copyrights were taken out in the name of T. B. Harms Company in 1933, during the entire period of the initial copyrights of 28 years and for two years since the renewal copyrights were taken out by Max Dreyfus and assigned by him to Harms, Eliscu has taken and received quarterly statements of accounts and a remittance by check which reflected the amount of commissions on Exhibit D above and in a copy of a contract dated June 30, 1933, the signature to which by Eliscu was conformed by Sidney Wattenberg, a deceased house counsel to Harms, the original contract having been lost.

Both Youmans and Gus Kahn having died before the 28th year of the initial copyright Dreyfus obtained renewal as to the renewal rights of Youmans and Kahn, which were assigned to Harms. Dreyfus also claimed on September 28, 1959, in a letter to the Register of Copyrights that "At least insofar as Edward Eliscu is concerned, said musical compositions were written under an Employment for Hire contract between him and RKO Radio Pictures, Inc., dated May 25, 1933. Accordingly I am entitled to renew the copyrights on said musical compositions as proprietor of copyright in works made for hire" (App. p. 66a).

On April 26, 1960, RKO and Dreyfus entered into an agreement which confirmed the right of Max Dreyfus in and to the renewal copyrights on the musical composition and lyrics of the photoplay "Flying Down to Rio." Said instrument is recorded in the office of the Register of Copyrights in Volume 1072, pages 353 to 357, and is incorporated by reference in the complaint (Complaint, par. 30—App. p. 17a). There is annexed to this petition a certified copy of the agreement of April 26, 1960, between Dreyfus and RKO as well as copies of the initial certificates of registration for all four compositions by Harms and the renewal applications by Max Drey-

fus claiming as Proprietor of copyright in work made for hire (Edward Eliscu). (See Appendix to this Petition, pp. 50-60.)

Dreyfus assigned to Harms his renewal copyrights obtained on behalf of Youmans' children, Kahn's widow and children and as proprietor of copyright in work made for hire (Edward Eliscu) on November 21, 1961 (Complaint, par. 31—App. p. 17a).

On February 19, 1962, Eliscu, having obtained certificates of renewal of copyright in his own name, assigned such renewal certificates to Ross Jungnickel, which corporation placed the assignmnet of record in the office of the Register of Copyrights in Volume 1123, page 160, of assignments. This was done pursuant to Section 28 of the Copyright Law. Thus a cloud was placed upon the title of Harms by Ross Jungnickel (App. 70a-74a).

On June 17, 1963, Mrs. Bella Linden, the attorney for Eliscu, wrote to Harry Fox, agent and trustee, who negotiates for the licensing of the mechanical rights under Section 1(e) of the Copyright Law, for the renewal period of the petitioner demanding *one-half* of the said royalties on behalf of Eliscu and asserting that as of the first day of the renewal period "Eliscu became vested with an *undivided one-half* (1/2) interest in and to each of said copyrights" (p. 85a—App.). A letter of similar tenor was written on the same day to American Society of Composers, Authors and Publishers (Ascap) (p. 91a—App.) By these claims, the right of Harms to collect its statutory royalties has been impeded by Eliscu.

By an agreement dated December 7, 1961, Ross Jungnickel agreed to finance the litigation of Eliscu against Harms paying $3,000 for such "privilege" (p. 118a—App.). In an agreement dated September 18, 1961, between Ross Jungnickel and Eliscu it was asserted by the said respondents herein:

> "Publisher (Ross Jungnickel) acknowledges that it has been apprised of the contentions of T. B. Harms, that it is the owner of or entitled to the renewal rights in said Compositions arising out of Edward Eliscu's contract with RKO on the motion picture entitled Flying Down to Rio. It is expressly understood and agreed by the parties hereto that Eliscu has not made and does not make any warranties or representations concerning the claims or alleged rights of T. B. HARMS or RKO in and to the Compositions and that Publisher acquires the rights herein granted subject to such rights, if any, that T. B. Harms or RKO may have" (p. 100a—App.).

Financed by Ross Jungnickel, Eliscu commenced an action in the Supreme Court of the State of New York for a declaration that he had an undivided interest to the extent of one-third thereof in the renewal rights to the above four musical compositions, despite the fact that Eliscu had received royalty statements and accepted payment for two years in accordance with the rates of royalty established by agreement in 1933.

This action then followed by Harms seeking (a) a declaratory judgment that plaintiff is the rightful owner of the interest of defendant, Edward Eliscu, in said United States renewal copyrights in said four musical compositions, Carioca, Flying Down to Rio, Music Makes Me and Orchids in the Moonlight.

(b) That the assignment of copyright renewal for the four musical compositions from Eliscu to Ross Jungnickel, recorded in Volume 1123, page 160, of the office of the Register of Copyrights by instrument dated February 19, 1962, be declared to be void and that the Register of Copyrights of the United States be directed and adjudged to expunge the same from his records.

(c) That defendant Eliscu be stayed from prosecuting his action in the Supreme Court, New York County, except to

interpose the claim as a counterclaim in the within action in the district court.

(d) That an injunction issue against the defendants in the district court to prevent infringement of threatened infringement or from selling, marketing, licensing or otherwise disposing of the rights of renewal of the copyrights purportedly owned by them.

Both the district court and the U. S. Court of Appeals have held that the district court was without jurisdiction in the premises and granted summary judgment dismissing the complaint for want of federal jurisdiction.

The Basis for Federal Jurisdiction in the Court of First Instance.

(A) The action arises under an Act of Congress relating to copyrights (Title 17, U. S. C.) and for related acts of unfair competition arising therefrom which vests the United States District Courts with exclusive jurisdiction thereof to the exclusion of the state courts, under Sections 1338(a) and (b) of Title 28 U. S. Code.

(B) Section 2201, Title 28, of the U. S. Code was properly invoked to obtain a declaratory judgment with respect to the renewal rights of petitioner arising under the Acts of Congress relating to copyrights (Sec. 24, Title 17, U. S. Code), which were jeopardized by the conspiratorial acts of the respondents in derogation of said proprietory rights of petitioner.

(C) Petitioner was entitled to a declaration from the district court that it was the sole proprietor of the right to renewal of copyright in a work made for RKO, an employer for hire of Edward Eliscu, co-lyricist of the four musical compositions from the photoplay, Flying Down to Rio, which were copyrighted by petitioner, a corporate

body, initially, in its own name, other than as assignee or licensee of the individual author.

(D) Petitioner was entitled to an injunction from the district court against the threatened infringement by Ross Jungnickel, Inc., a rival publisher, who had obtained and placed on the records of the Register of Copyrights, an assignment of the renewal expectancy of Eliscu, his wife and children, acting under Sec. 28 of the Copyright Law, and which rival publisher threatened to exercise all the rights of a publisher in the four musical compositions in suit.

(E) Petitioner was entitled to a declaration by the district court that the assignment of copyrights made to Ross Jungnikel, Inc., by Eliscu, after renewal application had been made by Eliscu and filed by Ross Jungnickel, pursuant to Sec. 28 of the Copyright Law in the Copyright Office, was a cloud upon petitioner's title and that the cloud be removed.

(F) The United States District Courts had exclusive jurisdiction to determine whether the contract dated May 25, 1933, a copy of which was annexed to the complaint and made a part thereof, was a contract of employment by RKO as an employer of Eliscu, which constituted Eliscu an employee for hire, who had set over and transferred to RKO all of his rights for the original and renewal term in said lyrics, to RKO and that in consequence, the original copyright having been obtained by a corporate body, other than as assignee or licensee of the author acting on behalf of the employer for hire, no right of renewal was vested in the lyricist Eliscu.

(G) Because of the demands made by Eliscu upon Harry Fox, Agent of Harms, for the licensing of mechanical rights arising under Sec. 1 (E) of the Copyright Law, for one-half of the statutory mechanical royalties and because of like demands made by Eliscu upon ASCAP

for one-half of the publisher's share of the small performing rights arising under the Copyright Law, the United States District Courts have original jurisdiction to the exclusion of the state courts to determine what if any share therein is attributable or payable to Eliscu or his assignee, Ross Jungnickel.

A Direct and Concise Argument Amplifying the Reasons Relied on For the Allowance of the Writ.

Recognition of the right of entry into the inferior federal courts for the purpose of obtaining a declaratory judgment with respect to the plaintiff's rights arising under an Act of Congress was made by this court in the case of *Skelly Oil Co. v. Phillips Petroleum Co.* (1950), 339 U. S. 671, where Frankfurter, J., said (at p. 672):

> "When, concerned as we are with the power of inferior federal courts to entertain litigation within the restricted areas to which the constitution and Acts of Congress confine them, 'jurisdiction' means the kind of issues which give rise to entrance to federal courts. Jurisdiction in this sense was not altered by the Declaratory Judgment Act. * * * The Declaratory Judgment Act allowed relief to be given by way of recognizing the plaintiff's right even though no immediate enforcement was asked."

In an article written in the Harvard Law Review (Vol. 62-1949, p. 863) (which was a precursor of Justice Frankfurter's opinion in *Skelly Oil Co. v. Phillips*), on *Developments in the Law of Declaratory Judgments*, the author of the article comments on the beneficent uses of the Federal Declaratory Judgments Act in Patent and Copyright litigation. *First*, as in the within case, comment is made about the employment of *in terrorem* methods to force compromise settlements of claims without foundation. *Secondly*, as in the within case, when threats did not bring forth the required settlement, suit was com-

menced with the attendant publicity and expense to the defendant.

Speaking of an actual controversy as being a prerequisite to entrance into the federal courts in patent cases, under the Federal Declaratory Judgments Act the author says (Vol. 62, Har. L. Rev., p. 864):

> (a) *Actual controversy.* * * * Two elements must be present for an actual controversy: (1) the plaintiff must have an interest that will be adversely affected by an assertion of the patent rights, and (2) the patentee must assert a claim under the patent.

So now the *in terrorem* methods used by a rapacious publisher in searching out the most valuable item in the list of musical compositions of his competitor and financing the litigation to upset the renewal copyrights can go unpunished and unimpeded, if the decision of the U. S. Court of Appeals in this case is to remain unchallenged. This then is a challenge to the integrity of the music publishing business and an opening wedge to destroy the goodwill of a business built up with over a half century of honest dealing with authors and composers alike.

As we satisfy the existence of an actual controversy we must and do satisfy the requirements of a controversy which arises under an Act of Congress relating to copyrights. There are at least seven bases for entrance into the federal courts which have original jurisdiction of the within cause of action to the exclusion of the state courts. These are as follows:

(a) A controversy as to the ownership of the publisher's statutory record royalties arising under Section 1 (e) of the Copyright Law.

(b) A controversy as to the ownership of the publisher's share of the small performing rights monitored by ASCAP

which has always been recognized as a right arising under the Copyright Law.

(c) A controversy as to the cloud placed upon the title of the petitioner by an assignment made by Edward Eliscu to Ross Jungnickel, Inc., and recorded under Section 28 of the Copyright Law in the office of the Register of Copyrights.

(d) A controversy over the interpretation of the contract of employment between Eliscu and RKO Studios, Inc., dated May 25, 1933, which is annexed to the complaint to determine if the said contract constitutes RKO an employer for whom Eliscu wrote the lyrics for hire and that in consequence Eliscu had no right of renewal under Section 24 of the Copyright Law, since the original copyright was obtained by a corporate body (Harms) other than as assignee or licensee of the individual author.

(e) A controversy over the above contract which shows on its face that Eliscu parted with the lyrics to RKO at the very moment of their creation and agreed that the publication rights to the lyrics were to be in Youmans or his assigns both for the original and renewal terms of the U. S. copyrights, in exchange for which he was to receive stipulated royalties.

(f) A controversy arising from the threatened infringement by Ross Jungnickel, Inc., which has always furnished a basis for federal jurisdiction even prior to the enactment of the Declaratory Judgments Act.

(g) A controversy over the share or portion of royalties to which Eliscu is entitled where for the original term he agreed to a fixed division and stated royalty with the publisher.

The opinion of Circuit Judge Friendly below emasculates the protection theretofore afforded to the honest publishers and proprietors of musical compositions from the

predatory assaults upon their property rights by their rapacious competitors. Bearing in mind that this is a motion for summary judgment in which "the inferences must be viewed in the light most favorable to the party opposing the motion" (*United States v. Diebold*, 369 U. S. 654) the courts below have cut the heart out of the petitioner's position by ignoring the facts and inferences most favorable to the petitioner which formed the basis for entry into the district court in a case where jurisdiction is grounded upon an Act of Congress arising from a U. S. copyright.

The opening gambit of Judge Friendly flies in the teeth of 28 U. S. C., §1338, and is contrary to its letter spirit and the decisional law governing the case. Judge Friendly opens his opinion with the following statement:

> "A layman would doubtless be surprised to learn that an action wherein the purported sole owner of a copyright alleged that persons claiming partial ownership had recorded their claim in the Copyright Office and had warned his licensees against disregarding their interests was not one arising under any Act of Congress relating to * * * copyrights over which 28 U. S. C., §1338, gives the federal courts exclusive jurisdiction. Yet precedents going back for more than a century teach that lesson and lead us to affirm Judge Weinfeld's dismissal of the complaint."

Over a century ago, when Chief Justice Taney wrote the opinion in *Wilson v. Sanford*, 51 U. S. 99 (1850), the compulsory license provision of the Copyright Law was unknown. It is now contained in §1(e) of the Copyright Law. It is a right to obtain royalties which arises under and by virtue of the present (1909) Copyright Law, as a legislative reversal of this court's decision in *White-Smith v. Appolo*, 209 U. S. 1 (1908), which held that phonograph records are not copies and that their distribution is not a publication.

Likewise small performing rights if they existed in 1850 were not enforceable. It took ASCAP, organized in 1914, of which Max Dreyfus was a charter member, to found the organization which has brought rewards alike to author, composer and publisher from the random and daily use of musical compositions for non-dramatic performances.

When Chief Justice Taney wrote the opinion in *Wilson v. Sanford, supra,* he held that a licensee of a patent who was delinquent in royalties may have forfeited his licensee, but that such forfeiture could only be remedied in the state courts. He could not possibly have envisaged a situation such as the case presented by the within state of facts that an *employee for hire,* interferes with the collection of statutory record royalties and small performing rights of a publisher, while at the same time making an assignment of record to a rival publisher, does not subject himself to a determination of whether he has any rights in them by the federal courts.

Strangely enough Judge Friendly recognizes the right to recover statutory royalties for record reproduction in the federal courts (citing Weinfeld, J., in *Joy Music, Inc., v. Seeco Records, Inc.*, 166 F. Supp. 549, S. D. N. Y. 1958), although there is no specific grant of federal jurisdiction in such cases. However both Judges Friendly and Weinfeld have denied jurisdiction in the federal court to a publisher who wishes a declaration that a claimant of his statutory royalties has no claim indeed.

Right to declaratory relief in the United States District Courts with respect to the statutory record royalties would have seemed assured under the decisions of *Leo Feist, Inc., v. American Music Roll Co.*, 251 Fed. 246 (Third Circuit), and *Edward B. Marks Music Corporation v. Foullon*, 171 F. 2d 905 (Second Circuit). By what process of reasoning Judge Friendly could conclude that a demand made by Eliscu upon the Agent and Trustee

of Harms for one-half of the publisher's compulsory or statutory rights accruing under Section 1(e) of the Copyright Law was not a claim arising under Copyright Law and did not "present a case where a distinctive policy of the Act requires that federal principles control the disposition of the claim" is difficult to understand. Shifting his demand from an initial one-half of the record royalties to one-third thereof, a clear question left unanswered by this court in *DeSylva v. Ballantine* (351 U. S. 570), was presented as to which this court held a federal question was presented.

That question presented a controversy over the share or portion of royalties, to which the co-lyricist Eliscu was entitled, where for the original term he had agreed to a fixed division and stated royalty with the publisher, who had become vested with the renewal rights. This question should be decided exclusively by the district courts and not left to the state courts to decide on a hit or miss basis.

As to small performing rights, it has been held in *King vs. Marks*, 56 F. Supp. 446 (S.D.N.Y. 1944), that diversity was not essential for the declaration of the rights of the various claimants to the said rights, made upon ASCAP. Judge Leibell in holding that the district court had original jurisdiction said:

> "The fact that defendant, Marks Publishing Corporation and ASCAP are both domiciled in New York State, would not deprive this court of jurisdiction. * * * 'When a plaintiff says that his interest in a copyright is sufficient to justify some relief, he is asking the court to act on the copyright. It makes no difference that the court thinks he can have no relief; the subject of the decision is the copyright, though the plaintiff do not own it.' *Goldwyn Picture Corp. v. Howells Sales Co.*, D. C., 292 F. 458, 460 * * *. The jurisdiction does not depend on diversity. ASCAP may properly be joined as a

party for a determination of defendant's claim to the copyrights."

This landmark decision is now upset by the opinion of Judge Friendly, who has ruled that such demand made for participation in the publisher's small performing rights is just the normal method used by a claimant to enforce his rights.

The *Cloud on Title* of the petitioner, by the filing of the assignment to Ross Jungnickel, Inc., may be removed only by an action with which the federal courts are vested with exclusive jurisdiction. The Copyright Law creates the right of filing and the determination of the question of whether the filing of an assignment pursuant to a power created by the Copyright Law was proper is a federal question. No court other than the district court of the United States has power to adjudicate that question. Judge Friendly has applied the earlier case of *Shoshone Mining Co. v. Rutter*, 177 U. S. 505 (1900), but he has disregarded the later decision of *this court in Hopkins v. Walker*, 244 U. S. 487.

Hopkins was an action to remove a cloud upon a land grant title originating under an Act of Congress which was alleged to be violated by a later grant which interfered with marketability of title. The complaint was dismissed below but this court held that the district court had jurisdiction to remove the cloud. This court said in pertinent part:

> "Our concern is * * * with the question of whether the case is one arising under the laws of the United States. A case does so arise where an appropriate statement of the plaintiff's cause of action, unaided by any anticipation or avoidance of defenses, discloses that it really and substantially involves a dispute or controversy respecting the validity, construction or effect of a law of Congress.
>
> "In both form and substance the bill is one to remove a particular cloud from plaintiff's title * * *."

The question has never been presented to nor answered by this court and the Court of Appeals has decided the question probably contrary to the way it should have been decided. It is a question of paramount importance to the publishing industry to know whether assignments can be placed of record in the Copyright Office without recourse to any federal court to compel the removal of the cloud on title. Certainly no state court has the right to issue a directive to the Register of Copyrights, but the district courts are vested with exclusive jurisdiction to remove such cloud which is now denied to them by Judge Friendly's opinion.

Employment for hire by RKO of Eliscu was an issue which was sidestepped by Judge Friendly although it was clearly raised by the incorporation by reference of the contract of employment dated May 25, 1933, in the complaint as an exhibit (see Rule 10 F.R.C.P.). Judge Friendly says (Appendix to this Petition, p. 46):

> "The crucial issue is whether or not Eliscu executed the assignment to Dreyfus; *possibly the interpretation of the initial May, 1933, contract is also relevant, but if any aspect of the suit requires an interpretation of the Copyright Act, the complaint does not reveal it.' (Harms likewise does not bring itself within the test by reliance on the provision of Sec. 24 of the Copyright Act that in the case of a work copyrighted by an employer for whom such work is made for hire the proprietor of the copyright shall be entitled' to the renewal rights. The allocation of rights under the May, 1933, contract is governed by the contract itself, and the complaint suggests no manner in which the construction of Sec. 24 of the Copyright Act might be relevant.)"*

In arriving at this conclusion Judge Friendly entirely overlooked the provisions of Rule 10(c) F.R.C.P. which provides that, "A copy of any written instrument which is an exhibit to a pleading is a part thereof for all pur-

poses." Within the framework of the pleadings, both before Judge Weinfeld and at the Court of Appeals, petitioner raised the question of whether or not the original copyright having been obtained by a corporate body (other than as assignee or licensee of the author) and acting on behalf of the employer for hire, RKO, Eliscu, the co-lyricist, had any rights of renewal at all, since he was an employee for hire. This appeared clearly from the contracts in evidence on the motion for summary judgment. Eliscu did not assert that he was not an employee for hire but he claimed (out of the whole cloth) that he worked on a special assignment. The federal question was properly raised in the only court which had jurisdiction and is now remitted to the state courts for decision. This is grievous error for a whole basis of jurisdiction in the federal courts is swept away by judicial fiat. [See *Rohauer v. Friedman* (Ninth Circuit), 306 F. 2d 933, 936 (1962).]

Furthermore, the meaning of the phrase "corporate body" has never been passed upon by any court although much speculation as to its meaning has been made in dicta and by commentators on copyright law. It is a question which needs clarification by this court in the light of the present record. On the face of the agreement of employment of May 25, 1933, Eliscu has parted with all rights in the lyrics at the moment of their creation, to his employer for hire RKO. How then can he have any renewal copyright in the face of an agreement which gives such renewal rights to the proprietor Max Dreyfus.

Exclusive jurisdiction is vested in the district courts under Section 1338, Title 28, U. S. Code, to restrain threatened infringements of copyrights, without regard to diversity. The law is settled that threatened infringement of a copyright is one arising under the Copyright Law of the United States.

Mere denial of a threat to infringe cannot divest the United States District Courts of jurisdiction to try the issues on motion for summary judgment where the issues of fact cannot be resolved by affidavits. Where there is no denial, but only a claim that the threat was made in the course of settlement negotiations, whether it was in fact so made is a question of fact, to be tried by the court.

THE FACTS OF THREATS OF INFRINGEMENT ARE UNDISPUTED.

The threat to publish the musical compositions which are the subject matter of the within compositions was made by Lewis A. Dreyer, the *executive vice president* of defendant Ross Jungnickel, Inc., plaintiff's rival publisher, which is seeking to compete with plaintiff by the ostensible acquisition of Eliscu's alleged rights and which corporation is financing the litigation in this court and in the state court, in violation of the champerty statute (275 Penal Law, N. Y.).

Morris Ebenstein, lawyer for the plaintiff, has sworn without contradiction:

> "In the year 1960, I met with and had a long conversation with Lewis A. Dreyer, who appears herein as one of the attorneys for defendant Ross Jungnickel, Inc., and has submitted an affidavit in support of a motion for summary judgment" (App. p. 67a).
>
> "At said conversation in the year 1960, I told Lewis A. Dreyer that Mr. Eliscu had no right to sell and that his clients had no right to buy the above mentioned rights of renewal. * * * I showed Mr. Dreyer copies of the documents of title under which Mr. Dreyfus then claimed renewal rights in the four musical compositions. Copies of these documents are annexed to the complaint in the within action" (App. 68a). "Mr. Lewis A. Dreyer examined

> the above documents annexed to the complaint herein in my presence and I observed him reading them. ***After examining the documents Mr. Dreyer told me * * * that his clients * * * INTENDED TO PUBLISH AND TO EXERCISE ALL RIGHTS AS SUCH OWNERS OF THESE RENEWAL COPYRIGHTS. I MADE IT PLAIN TO MR. DREYER THAT IF HIS CLIENTS ATTEMPTED TO EXERCISE ANY RIGHTS IN THESE FOUR COMPOSITIONS MY CLIENT WOULD TAKE ALL NECESSARY STEPS TO STOP THEM*" (App. p. 68a).**

This conversation is not denied by Lewis A. Dreyer (thereafter "Dreyer"). To the contrary, Dreyer, instead of answering the charge of threatened infringment, claims that the conversation was had in an attempt to settle a dispute and he continues, "It would seem, therefore, that that part of Mr. Ebenstein's affidavit which relates to settlement talks is inadmissible for any purpose" (App. p. 120a). Whether the threat to publish by Ross Jungnickel, Inc., was made in the course of settlement negotiations or was a naked threat of infringment is a question of fact which cannot be resolved on a motion for summary judgment. A THREAT TO PUBLISH IS A THREAT TO INFRINGE.

Dreyer further asserts that "after my conversation with Mr. Ebenstein in 1960, wherein he showed me certain documents, RJ (Ross Jungnickel), on July 1, 1960, reassigned to the Eliscus whatever rights it had acquired from them by way of the agreement dated January 1, 1960. There is no better evidence that, after July 1, 1960, RJ committed no infringing act. By its act of reassignment, RJ, for all purposes, divested itself from any claims with respect to the four songs" (App. p. 120a). This trumped-up and false assertion was accepted at face value by Judges Weinfeld (see footnote 13, App. p. 128a) and Friendly alike.

The truth of the matter, borne out by the documentary evidence, is that *although the reassignment was conveniently dated July 1, 1960, it was not filed of record in the office of the Register of Copyrights until October 1, 1961* (Volume 113, p. 93 of assignments) (App. p. 70a), *and such reassignment was not filed of record until Ross Jungnickel had entered into a formal agreement on* September 18, 1961, whereby it had procured an outright assignment of all of the alleged renewal rights of Edward Eliscu which had by this time matured, if they existed at all (see agreement, App. pp. 99a-117a). This agreement of September 18, 1961, is witnessed by Dreyer (App. p. 117a).

The law is settled that a threatened infringement furnishes the basis for entry into the district courts (exclusively) even in the absence of diversity of citizenship (§1338, Title 28, U. S. Code). The Court of Appeals for the Second Circuit had the question before it in the case of *L. C. Page & Co., Inc., v. Fox Film Corporation,* 83 F. 2d 196 (200). The defendant Fox Film was "threatening to produce a talking motion picture version of the novel, Captain January, without having the consent of the plaintiff (the copyright owners)." In reversing an order denying a preliminary injunction this Court, per Swan, J., said (Judges Augustus N. Hand and Learned Hand concurring):

> "*Another remedy of a copyright owner or exclusive licensee is an injunction against threatened infringement, and ordinarily, if the plaintiff's right is clear, a preliminary injunction will be granted.* In *Allington & Curtis Mfg. Co. v. Booth,* 78 F. 878, 879 (C.C.A. 2), Judge Wallace said: 'Whenever it is manifest to the court that, upon the case made, an injunction will be granted at final hearing to the complainant, one should be awarded to him preliminarily, in the absence of facts presenting equitable considerations to induce the court, in the exercise of judicial discretion, to withhold it.'

"This was quoted and applied by Judge Hough in *National Picture Theatres v. Foundation Film Corp.*, 266 F. 208, 210 (C.C.A. 2). We see no valid reason for an exception in the case at bar."

In the case of *Historical Publishing Co. v. Jones Bros. Pub. Co.* (3rd Cir.), 231 F. 638, 644, the Court said in reversing an order denying an injunction against the threatened infringement of a copyright, where the sole basis of federal jurisdiction was the Copyright Law of the United States:

> *"If, therefore, the evidence shows that the defendant was then threatening to infringe the copyright, the plaintiffs were entitled to protection, although no actual infringement had as yet taken place. One of the objects of an injunction is to restrain the future commission of injurious acts, for a suit at law is the appropriate remedy for acts that have already been done.* If authority be needed for so elementary a proposition, it may be found in *Woodworth v. Stone*, Fed. Cas. No. 18,021; *Page, etc., Co. v. Land* (C. C.), 49 Fed. 936; *Canton Steel Co. v. Kanneberg* (C. C.), 51 Fed. 601, and *National Meter Co. v. Thompson Meter Co.* (C. C.), 106 Fed. 531." (Italics supplied.)

In the case of *Harper Bros. v. Klaw*, 232 Fed. 610, U.S.D.C., N. Y. (1905), plaintiff brought an action to prevent the threatened production of a motion picture based upon the novel "Ben Hur" by the defendants, Klaw and Erlanger. In overruling the objection to federal jurisdiction (absent adversity), Judge Hough said:

> ***"The defendants have gone so far in the assertion of their position as to write a letter in which it is definitely said that they will produce 'Ben Hur' as a photoplay when and as they choose. This bill is brought to restrain the defendants from carrying out that threat, on the ground that such a production would be an infringement of copyright.***

> "The defendants have answered, questioning the jurisdiction of the court, but also denying that such production of Ben Hur as a photoplay would be an infringment, and alleging the contract of 1899 as full justification of their position. * * * ***I AM QUITE UNABLE TO DOUBT JURISDICTION AS TO THE ORIGINAL BILL OF COMPLAINT. IT SHOWS A COPYRIGHT CASE OF THE SIMPLEST KIND*** **(pp. 610-611). (Italics supplied.)**

In the case of *National Meter Co. v. Thompson Meter Co.*, 106 Fed. 541, 542, the Court held:

> *"The evidence shows a threatened infringement by complainant's rival in business. * * * In such circumstances it is well settled that the court may protect the complainant against intended infringement by injunction.* Rob. Pat. §1191; *Woodworth v. Stone,* 3 Story 749, 752, Fed. Cas. No. 18,021."

In *Chester Forging Co. v. Tindel Morris Co.*, 165 Fed. 900, the Court said (p. 901):

> *"Notwithstanding such identity of citizenship, the court below has jurisdiction to determine the rights of the complainant under its patents,* and inasmuch as upon the present proofs the defendants are guilty of the fraud alleged, and that fraud appears to be an actual, palpable, and inexcusable one, and not a merely constructive one, the absence of adjudication of the patents is not a sufficient reason for reversing the order of the lower court." (Italics supplied.)

In *Mathews v. Allen*, 182 Fed. 2d 824 (Fourth Circuit), Soper, J., said (p. 828):

> *"The rule is invoked that not only completed acts but also threatened acts of infringement may be enjoined, if the opportunity and the intent to infringe are present. Graham Paper Co. v. International Paper Co.*, 8 Cir., 46 F. 2d 881, 886; *Tindel-Morris Co. v. Chester Forging & Eng. Co.*, C.C.E.D. Pa., 163 F. 304, affirmed 3 Cir., 165 F. 899; *Corrugated Fiber Co. v. Paper Working Machines Co.*, D.C. E.D. N. Y., 259 F. 283, 288." (Italics supplied.)

"The threatened and actual infringement by defendants is greatly prejudicial to the plaintiff, T. B. Harms Company, the copyright owner. Neither ASCAP nor Harry Fox, trustee and agent (for the mechanical-statutory royalties), have been willing to remit to the plaintiff the full royalties which is due and payable to it from them and which have accrued under the Copyright Law of the United States by reason of the licensing of the small performing rights by ASCAP and the mechanical rights by Harry Fox, trustee and agent" (affidavit of Philip B. Wattenberg, house counsel to plaintiff, App. p. 86a). A clearer case of threats to infringe, opportunity to infringe, actual infringement and damages to a copyright owner could not be made out.

CONCLUSION.

The questions here involved are not merely of interest to the litigants but rather of great general importance to the United States and to authors, composers and publishers alike. It is respectfully submitted, therefore, that there is presented a proper occasion for the exercise of the supervisory power of this Court.

March, 1965.

GUSTAVE B. GARFIELD,
Attorney for Petitioner.

APPENDIX.

Opinion of United States Court of Appeals.

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

No. 93—September Term, 1964.

(Argued October 21, 1964 Decided December 23, 1964.)

Docket No. 28921

T. D. HARMS COMPANY,

Plaintiff-Appellant,

v.

EDWARD ELISCU and ROSS JUNGNICKEL, INC.,

Defendants-Appellees.

Before:

FRIENDLY, KAUFMAN and ANDERSON,

Circuit Judges.

Appeal from an order of the District Court for the Southern District of New York, Edward Weinfeld, *Judge*, 226 F. Supp. 337 (1964), dismissing, for want of federal jurisdiction, an action by a copyright owner against persons claiming partial ownership. Affirmed.

GUSTAVE B. GARFIELD, New York, N. Y., *for Plaintiff-Appellant.*

LEWIS A. DREYER, New York, N. Y. (Norma Hack, of Counsel), *for Defendant-Appellee Ross Jungnickel, Inc.*

DAVID BLASBAND (Linden & Deutsch, New York, N. Y.), *for Defendant-Appellee Edward Eliscu.*

FRIENDLY, *Circuit Judge:*

A layman would doubtless be surprised to learn that an action wherein the purported sole owner of a copyright alleged that persons claiming partial ownership had recorded their claim in the Copyright Office and had warned his licensees against disregarding their interests was not one "arising under any Act of Congress relating to * * * copyrights" over which 28 U. S. C. §1338 gives the federal courts exclusive jurisdiction. Yet precedents going back for more than a century teach that lesson and lead us to affirm Judge Weinfeld's dismissal of the complaint.

The litigation concerns four copyright songs; we shall state the nub of the matter as alleged in the complaint without going into details irrelevant to the jurisdictional issue. The music for the songs was composed by Vincent Youmans for use in a motion picture, "Flying Down to Rio," pursuant to a contract made in 1933 with RKO Studios, Inc. He agreed to assign to RKO the recordation and certain other rights relating to the picture during the existence of the copyrights and any renewals. RKO was to employ a writer of the lyrics and to procure the publishing rights in these for Youmans, who was "to pay said lyric writer the usual and customary royalties on sheet music and mechanical records." Subject to this, Youmans could assign the publication and small performing rights to the music and lyrics as he saw fit. In fact RKO employed two lyric writers, Gus Kahn and the defendant Edward Eliscu, who agreed to assign to RKO certain rights described in a contract dated as of May 25, 1933. Max Dreyfus, principal stockholder of the plaintiff Harms, which has succeeded to his rights, acquired Youmans' reserved rights to the music and was his designee for the assignment with respect to the lyrics. Allegedly—and his denial of this is a prime subject of dispute—Eliscu then entered into an agreement dated June 30, 1933, assigning his rights to the existing and

renewal copyrights to Dreyfus in return for certain royalties.

When the copyrights were about to expire, proper renewal applications were made by the children of Youmans, by the widow and children of Kahn, and by Eliscu. The two former groups executed assignments of their rights in the renewal copyrights to Harms. But Eliscu, by an instrument dated February 19, 1962, recorded in the Copyright Office, assigned his rights in the renewal copyrights to defendant Ross Jungnickel, Inc., subject to a judicial determination of his ownership. Thereafter Eliscu's lawyer advised ASCAP and one Harry Fox—respectively the agents for the small performing rights and the mechanical recording license fees—that Eliscu had become vested with a half interest in the renewal copyrights and that any future payments which failed to reflect his interest would be made at their own risk; at the same time he demanded an accounting from Harms. Finally, Eliscu brought an action in the New York Supreme Court for a declaration that he owned a one-third interest in the renewal copyrights and for an accounting.

Harms then began the instant action in the District Court for the Southern District of New York for equitable and declaratory relief against Eliscu and Jungnickel. Jurisdiction was predicated on 28 U. S. C. §1338; plaintiff alleged its own New York incorporation and did not allege the citizenship of the defendants, which concededly is in New York. Defendants moved to dismiss the complaint for failure to state a claim on which relief can be granted and for lack of federal jurisdiction; voluminous affidavits were submitted. The district court dismissed the complaint for want of federal jurisdiction, 226 F. Supp. 337 (1964).

In line with what apparently were the arguments of the parties, Judge Weinfeld treated the jurisdictional issue as turning solely on whether the complaint alleged any act or threat of copyright infringement. He was right in concluding it did not. Infringement, as used in copyright

law, does not include everything that may impair the value of the copyright; it is doing one or more of those things which §1 of the Act, 17 U. S. C. §1, reserves exclusively to the copyright owner. See Nimmer, Copyright §§100, 141 (1963). The case did not even raise what has been the problem presented when a defendant licensed to use a copyright or a patent on certain terms is alleged to have forfeited the grant; in such cases federal jurisdiction is held to exist if the plaintiff has directed his pleading against the offending use, referring to the license only by way of anticipatory replication, but not if he has sued to set the license aside, seeking recovery for unauthorized use only incidentally or not at all. See Chief Justice Taft's review of the cases in *Luckett v. Delpark,* 270 U. S. 496 (1926); and Hart & Wechsler, The Federal Courts and the Federal System, 754-58 (1953). Here neither Eliscu nor Jungnickel had used or threatened to use the copyrighted material; their various acts, as the district judge noted, sought to establish their ownership of the copyrights by judicial and administrative action, including notice to the parties concerned.

However, the jurisdictional statute does not speak in terms of infringement, and the undoubted truth that a claim for infringement "arises under" the Copyright Act does not establish that nothing else can. Simply as a matter of language, the statutory phrasing would not compel the conclusion that an action to determine who owns a copyright does not arise under the Copyright Act, which creates the federal copyright with an implied right to license and an explicit right to assign. But the gloss afforded by history and good sense leads to that conclusion as to the complaint in this case.

Although Chief Justice Marshall, construing the "arising under" language in the context of Article III of the Constitution, indicated in *Osborn v. Bank of the United States,* 22 U. S. (9 Wheat.) 738, 822-27 (1824), that the grant extended to every case in which federal law furnished a

necessary ingredient of the claim even though this was antecedent and uncontested, the Supreme Court has long given a narrower meaning to the "arising under" language in statutes defining the jurisdiction of the lower federal courts. *Romero v. International Terminal Operating Co.*, 358 U. S. 354, 379 n. 51 (1959); Mishkin, The Federal "Question" in the District Courts, 53 Colum. L. Rev. 157, 160-63 (1953). If the ingredient theory of Article III had been carried over to the general grant of federal question jurisdiction now contained in 28 U. S. C. §1331, there would have been no basis—to take a well-known example—why federal courts should not have jurisdiction as to all disputes over the many western land titles originating in a federal patent, even though the controverted questions normally are of fact or of local land law. Quite sensibly, such extensive jurisdiction has been denied. *Shoshone Mining Co. v. Rutter*, 177 U. S. 505 (1900).

The cases dealing with statutory jurisdiction over patents and copyrights have taken the same conservative line. The problem apparently first reached the Supreme Court in *Wilson v. Sanford*, 51 U. S. (10 How.) 99 (1850), under the Act of July 4, 1836, §17, 5 Stat. 17, which allowed appeal to the Court, irrespective of the amount, in actions "arising under" the patent laws. The suit aimed to prevent use of a patented invention by a licensee who allegedly had failed to comply with the terms of the license and thus had forfeited its rights. Chief Justice Taney, dismissing the appeal, held the statute inapplicable to a dispute as to license or contract rights which "depended altogether upon the rules and principles of equity, and in no degree whatever upon any act of Congress concerning patent rights." The same principle was applied, and sometimes stated less cautiously, in decisions construing later legislation granting the federal courts exclusive jurisdiction of all suits "arising under" the patent or copyright laws of the United States. Act of July 8, 1870, §§55, 106, 16 Stat. 206, 215; Rev. Stat. §§629 Ninth and 711

Fifth (1875); Judicial Code of 1911, §§24 Seventh, 256 Fifth, 36 Stat. 1092, 1161. To take one of many examples, the Court said in *New Marshall Engine Co. v. Marshall Engine Co.*, 223 U. S. 473, 478 (1912):

> "The Federal courts have exclusive jurisdiction of all cases arising under the patent laws, but not of all questions in which a patent may be the subject-matter of the controversy. For courts of a State may try questions of title, and may construe and enforce contracts relating to patents. *Wade v. Lawder*, 165 U. S. 624, 627."

Just as with western land titles, the federal grant of a patent or copyright has not been thought to infuse with any national interest a dispute as to ownership or contractual enforcement turning on the facts or on ordinary principles of contract law. Indeed, the case for an unexpansive reading of the provision conferring exclusive jurisdiction with respect to patents and copyrights has been especially strong since expansion would entail depriving the state courts of any jurisdiction over matters having so little federal significance.

In an endeavor to explain precisely what suits arose under the patent and copyright laws, Mr. Justice Holmes stated that "a suit arises under the law that creates the cause of action"; in the case *sub judice*, injury to a business involving slander of a patent, he said, "whether it is a wrong or not depends upon the law of the State where the act is done" so that the suit did not arise under the patent laws. *American Well Works Co. v. Layne & Bowler Co.*, 241 U. S. 257, 260 (1916). The Holmes "creation" test explains the taking of federal jurisdiction in a great many cases, notably copyright and patent infringement actions, both clearly authorized by the respective federal acts, 17 U. S. C. §101; 35 U. S. C. §281, and thus unquestionably within the scope of 28 U. S. C. §1338; indeed, in the many infringement suits that depend only on some

point of fact and require no construction of federal law, no other explanation may exist.

Harms' claim is not within Holmes' definition. The relevant statutes create no explicit right of action to enforce or rescind assignments of copyrights, nor does any copyright statute specify a cause of action to fix the locus of ownership. To be sure, not every federal cause of action springs from an express mandate of Congress; federal civil claims have been "inferred" from federal statutes making behavior criminal or otherwise regulating it. See, e.g., *Tungstall v. Brotherhood of Locomotive Firemen*, 323 U. S. 210 (1944); *Reitmeister v. Reitmeister*, 162 F. 2d 691 (2 Cir. 1947); Note, Implying Civil Remedies From Federal Regulatory Statutes, 77 Harv. L. Rev. 285 (1963). Such statutes invariably impose a federal duty and usually create some express remedy as well, while the relevant copyright provision merely authorizes an assignment by written instrument, 17 U. S. C. §28. It is true that although this difference carries the present case outside the classic doctrine of implied remedies, see Restatement, Torts §286 (1934), expansion may not be foreclosed where appropriate, cf. *Wheeldin v. Wheeler*, 373 U. S. 647, 661-63 (1963) (Brennan, J. dissenting); we would not be understood, for example, as necessarily agreeing with the implication of *Republic Pictures Corp., v. Security-First National Bank*, 197 F. 2d 767, 770 (9 Cir. 1952), that federal jurisdiction would not exist if a complaint alleged that a state declined to enforce assignments of copyright valid under federal law. But no such case is here presented.

It has come to be realized that Mr. Justice Holmes' formula is more useful for inclusion than for the exclusion for which it was intended. Even though the claim is created by state law, a case may "arise under" a law of the United States if the complaint discloses a need for determining the meaning or application of such a law. The path-breaking opinion to this effect was *Smith v. Kansas City Title & Trust Co.*, 255 U. S. 180 (1921), pointedly

rendered over a dissent by Mr. Justice Holmes, 255 U. S. at 213-15. A recent application of this principle to 28 U. S. C. §1338 is *De Sylva v. Ballentine*, 351 U. S. 570 (1956), where the Supreme Court decided on the merits a claim to partial ownership of copyright renewal terms. Since there was no diversity of citizenship and no infringement, the only, and a sufficient, explanation for the taking of jurisdiction was the existence of two major questions of construction of the Copyright Act.[1] But Harms likewise does not meet this test. The crucial issue is whether or not Eliscu executed the assignment to Dreyfus; possibly the interpretation of the initial May, 1963, contract is also relevant, but if any aspect of the suit requires an interpretation of the Copyright Act, the complaint does not reveal it.[2]

Having thus found that appropriate pleading of a pivotal question of federal law may suffice to give federal jurisdiction even for a "state-created" claim, we cannot halt at questions hinging only on the language of the Copyright Act. For a new and dynamic doctrine, taking its name from *Clearfield Trust Co. v. United States*, 318 U. S. 363 (1943), instructs us that even in the absence of express statute, federal law may govern what might seem an issue of local law because the federal interest is dominant. *Sola Elec. Co. v. Jefferson Elec. Co.*, 317 U. S. 173, 175-76 (1942), is relevant here, not only for its holding that the radiations of the antitrust laws governed an estoppel question in a patent license case but also for the Court's unwillingness to say whether the estoppel rule

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[1] Although the parties did not question federal jurisdiction and the Court did not mention it, the issue had been sharply raised by a dissent in the Court of Appeals, see 226 F. 2d 623, 634 (9 Cir. 1955), and can hardly have passed unnoticed.

[2] Harms likewise does not bring itself within the test by reliance on the provision of §24 of the Copyright Act that in the case of any work copyrighted "by an employer for whom such work is made for hire the proprietor of the copyright shall be entitled" to the renewal rights. The allocation of rights under the May, 1922, contract is governed by the contract itself, and the complaint suggests no manner in which the construction of §24 of the Copyright Act might be relevant.

would have been "local" or "federal" even if the antitrust laws had not been invoked—a question which *Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U. S. 249, 255 (1945), apparently settled in favor of federal principles. If this "federal common law" governed some disputed aspect of a claim to ownership of a copyright or for the enforcement of a license, federal jurisdiction might follow—though one would wish to consider whether this might be founded on 28 U. S. C. §1331 rather than on §1338 and thus be concurrent and require a jurisdictional amount. But there is not the slightest reason to think that any legal question presented by Harms' complaint falls in the shadow of a federal interest suggested by the Copyright Act or any other source.

Mindful of the hazards of formulation in this treacherous area, we think that an action "arises under" the Copyright Act if and only if the complaint is for a remedy expressly granted by the Act, e.g., a suit for infringement or for the statutory royalties for record reproduction, 17 U. S. C. §101, cf. *Joy Music, Inc. v. Sesco Records, Inc.*, 166 F. Supp. 549 (S. D. N. Y. 1958), or asserts a claim requiring construction of the Act, as in *De Sylva*, or, at the very least and perhaps more doubtfully, presents a case where a distinctive policy of the Act requires that federal principles control the disposition of the claim. The general interest that copyrights, like all other forms of property, should be enjoyed by their true owner is not enough to meet this last test.

Something should be said as to cases in this circuit deciding on the merits copyright claims apparently not involving infringement. There has been discussion whether the asumption of jurisdiction in *Rossiter v. Vogel*, 134 F. 2d 908 (2 Cir. 1943), was properly rested on a basis similar to that suggested in this opinion with respect to *De Sylva*, see *Cresci v. Music Publishers Holding Corp.*, 210 F. Supp. 253, 258-59 (S. D. N. Y. 1962); Nimmer, Copy-

right §131.12, at 570-71 (1963). But a glance at the complaint in that case, which relied on diverse citizenship as well as on what is now 28 U. S. C. §1338, shows that the problem of federal jurisdiction was hardly troublesome and indicates why it went unmentioned. The equally undiscussed assumption of jurisdiction in *Venus Music Corp. v. Mills Music, Inc.*, 261 F. 2d 577 (2 Cir. 1958), cannot be thus explained, since there was no diversity, see 156 F. Supp. 753 (S. D. N. Y. 1957). But the jurisdictional problem was doubtless obscured by the insistence of both parties that this action was for copyright infringement, see 156 F. Supp. at 753, and by the surface similarity with *Rossiter v. Vogel, supra,* as that case stands in the reports. Whether or not the complaint in *Venus* presented questions of copyright law sufficient to meet the criteria we have outlined—an issue on which we express no opinion—the complaint here does not.

One more question remains. *Bell v. Hood,* 327 U. S. 678 (1946), is often taken as indicating that if a complaint comes close enough to presenting a federal claim that the court has trouble in deciding that it doesn't, dismissal of that claim should be for "failure to state a claim upon which relief can be granted" rather than for lack of jurisdiction. Even if we were to assume that the district judge should have adopted the former ground in dismissing the claims allegedly created by federal law, his disposition ought nevertheless be affirmed. *Montana-Dakota Util. Co. v. Northwestern Pub. Serv. Co.*, 341 U. S. 246, 249-50 (1951). The only apparent consequence of *Bell v. Hood* as applied to this case[3] is that if the complaint is close enough to the line to give "jurisdiction," the court may have power to adjudicate a "pendent" or "ancillary" state claim.

[3] There would seem to be no difference from the standpoint of *res judicata*. On either method of disposition the court would not have decided whether Eliscu had signed the alleged assignment or how his contract with RKO should be construed, but would have decided the insufficiency of the complaint to permit an inferior federal court to grant relief.

See 327 U. S. at 686 (dissenting opinion of Chief Justice Stone). But a federal court need not try such a state claim when the non-existence of the federal claim has been determined on motion prior to trial on the merits, see Hart & Wechsler, *supra*, at 808 and decisions there cited—and the case against its doing so is particularly strong when, as here, a prior suit for the same relief is pending in a state court.

Affirmed.

Agreement With Respect to Renewals of Copyrights Between RKO General, Inc., and Max Dreyfus, Dated April 26, 1960.

April 26, 1960

Mr. Max Dreyfus
1270 Sixth Avenue
New York, New York

Dear Mr. Dreyfus:

The within instrument confirms the following understanding and agreement between you and us with respect to the four musical compositions respectively entitled "ORCHIDS IN THE MOONLIGHT", "FLYING DOWN TO RIO", "MUSIC MAKES ME" and "CARIOCA", (hereinafter referred to as "said musical compositions"), the music of which said musical compositions was written by Vincent Youmans and the words by Gus Kahn and Edward Eliscu.

1. By a certain instrument dated January 25, 1934, recorded in the United States Copyright Office in Volume 312, Pages 50 to 55, inclusive (hereinafter referred to as "said assignment") you (together with said Vincent Youmans) granted to us certain rights in said musical compositions and we accepted said grant of rights and caused said assignment to be recorded in the United States Copyright Office. (In said assignment we are designated by our former corporate title "RKO Radio Pictures, Inc.").

2. It is understood and agreed between you and us that it was the purpose and intent of said assignment to define our and your respective rights with respect to each of said musical compositions and that our and your respective rights with respect to said musical compositions under said assignment are (both for the original terms of copyright of said musical compositions as well as for the renewal terms of such copyrights) as follows:

(a) We have, with respect to each of said musical compositions, the sole and exclusive right, license, privilege and authority, throughout the world, to make recordations, and to produce and/or reproduce and/or perform and/or license the production, reproduction and/or performance thereof, and/or any part or parts thereof, publicly or otherwise, but only in connection or in conjunction with the production, exhibition, distribution, exploitation and/or advertising of a motion picture photoplay entitled "FLYING DOWN TO RIO", as well as the right to broadcast and/or license others to broadcast said musical compositions by radio but only in connection or in conjunction with radio programs advertising said photoplay.

(b) You (together with Vincent Youmans and his successors in interest) have with respect to each of said musical compositions, all rights other than those set forth in (a) above, including, without limitation, the sole and exclusive world-wide (i) publication rights, (ii) mechanical instrument and film synchronization rights, and (iii) all rights of public performance including without limitation the small performing rights of the kind or character which have heretofore been and/or may hereafter be licensed by the American Society of Composers, Authors and Publishers (including, without limitation, the right to give performances by means of recordings made on kinescope, tapes, films and similar devices, whether now known or hereafter devised).

3. It is agreed that our and your respective rights with respect to said musical compositions are and always have been as set forth in said assignment, as herein clarified, and that nothing contained in the agreement of May 4, 1933 (referred to in said assignment) or in any other in-

strument shall be deemed to have diminished, enlarged or otherwise modified our or your respective rights with respect to said musical compositions.

4. We represent (a) that we have acquired and still own all of the rights which RKO Studios, Inc. ever had in or with respect to said compositions, and (b) that our former corporate title was RKO Radio Pictures, Inc.

5. We recognize and agree that, insofar as we are concerned, you have and shall have the exclusive right

(a) to make and file applications for the renewal of the United States (and other) copyrights in said musical compositions in the name of the undersigned, RKO General, Inc., or in the name of any other party or parties that you may deem proper or necessary, and

(b) to take such other steps as you may deem proper or necessary to secure the renewal of the United States (and other) copyrights of said musical compositions in the name of the undersigned, RKO General, Inc., or in the name of any other party or parties that you may deem proper or necessary.

It is understood that all acts and things you may do with respect to the renewal of said copyrights shall be done solely at your cost and expense. It is understood, of course, that we, the undersigned, RKO General, Inc., shall have and continue to have, hold and enjoy in, under and with respect to any such copyright renewals of said musical compositions the rights set forth in subdivision (a) of paragraph "2" above, and that you, Max Dreyfus (together with said Vincent Youmans and his successors in interest) shall have and continue to have, hold and enjoy in, under and with respect to any such copyright renewals of said musical compositions the rights set forth in subdivision (b) of paragraph "2" above.

6. We hereby nominate, constitute and appoint you our attorney-in-fact for the purpose and only for the purpose of

(a) executing and/or filing in our name such instruments as may be reasonably necessary for the purpose of securing or attempting to secure the copyright renewals of said musical compositions above referred to, and

(b) taking such other steps as may be reasonably necessary to secure or to attempt to secure such renewals.

It is understood that all acts and things done by you under this paragraph "6" shall be at your sole cost and expense.

7. It is understood that neither party hereto makes any representation, warranty, agreement or undertaking, express or implied, or assumes any responsibility whatsoever except as herein expressly set forth.

8. This instrument shall enure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors, assigns and licensees, and the parties hereto shall have the right to grant and license their rights hereunder to any person, firm or corporation without limit, in whole or in part.

If you are in accord with the foregoing, kindly sign below the words "AGREED TO" and thereupon this instrument shall constitute our agreement in the premises.

Very truly yours,

RKO GENERAL, INC.
By JOHN B. POOR

AGREED TO:

MAX DREYFUS

COPYRIGHT OFFICE OF THE UNITED STATES OF AMERICA

THE LIBRARY OF CONGRESS

Washington

This is to certify that the attached instrument was recorded in the Copyright office records of assignments and related documents Volume 1072, pages 353-357, on May 17, 1960.

IN TESTIMONY WHEREOF, the seal of this office is affixed hereto on May 24, 1960.

ARTHUR FILER
Register of Copyrights

(Seal.)

Original Certificate of Registration for MUSIC MAKES ME.

T. B. HARMS COMPANY, New York, N. Y.

Title of music: Music Makes Me.
From Flying Down to Rio. Words by Gus Kahn and Edward Eliscu. Music by Vincent Youmans, of the United States. With Ukulele Acc.

Date of publication Nov. 20, 1933. Copies received Dec. 4, 1933.

Entry: Class E. pub., No. 39121

WM. L. BROWN
Acting Register of Copyrights

[SEAL.]

Certificate of Registration of a Claim to Renewal Copyright MUSIC MAKES ME by Max Dreyfus, Claiming as Proprietor of Copyright in Work Made for Hire (Edward Eliscu).

CERTIFICATE OF REGISTRATION OF A CLAIM TO RENEWAL COPYRIGHT

Registration No. R 266750

THIS IS TO CERTIFY that the statements set forth on this certificate have been made a part of the records of the Copyright Office. In witness whereof the seal of the Copyright Office is hereto affixed.

(Illegible) KAMENSTEIN
(Seal.) Acting Register of Copyrights
United States of America

1. Renewal Claimant, Address, and Statement of Claim:

(a) Name Max Dreyfus
Address 1270 Sixth Ave., New York, N. Y.
Claiming as Proprietor of copyright in work made for hire (Edward Eliscu)

2. (a) Title: MUSIC MAKES ME

3. Authors of Renewable Matter: Gus Kahn—Edward Eliscu—Vincent Youmans

4. Facts of Original Registration:

Original registration number: Class E. pub. No. 39121
If registered as published give date of publication November 20 1933
Original copyright claimant T. B. Harms Company

Original Certificate of Registration for FLYING DOWN TO RIO.

T. B. HARMS COMPANY, New York, N. Y.

Title of music: Flying Down to Rio.
From Flying Down to Rio. Words by Gus Kahn and Edward Eliscu. Music by Vincent Youmans of the United States. With Ukulele Acc.

Date of publication Nov. 20, 1933. Copies received Dec. 4, 1933.

Entry: Class E pub., No. 39120

WM. L. BROWN
Acting Register of Copyrights

[SEAL]

Certificate of Registration of a Claim to Renewal Copyright FLYING DOWN TO RIO by Max Dreyfus, Claiming as Proprietor of Copyright in Work Made for Hire (Edward Eliscu).

CERTIFICATE OF REGISTRATION OF A CLAIM TO RENEWAL COPYRIGHT

Registration No. R 266748

THIS IS TO CERTIFY that the statements set forth on this certificate have been made a part of the records of the Copyright Office. In witness whereof the seal of the Copyright Office is hereto affixed.

(Illegible) KAMENSTEIN
(Seal.) Acting Register of Copyrights
United States of America

1. Renewal Claimant, Address and Statement of Claim:

(a) Name Max Dreyfus
Address 1270 Sixth Ave., New York, N. Y.
Claiming as Proprietor of copyright in a work made for hire (Edward Eliscu)

2. (a) Title: FLYING DOWN TO RIO

3. Authors of Renewable Matter: Gus Kahn—Edward Eliscu—Vincent Youmans

4. Facts of Original Registration:

Original registration number: Class E. pub. No. 39120
If registered as published, give date of publication November 20, 1933
Original copyright claimant T. B. Harms Company

Original Certificate of Registration of ORCHIDS IN THE MOONLIGHT.

T. B. HARMS COMPANY, New York, N. Y.
Title of music: Orchids in the Moonlight.
From Flying Down to Rio. Words by Gus Kahn and Edward Eliscu. Music by Vincent Youmans, of the United States. With Ukulele Acc.

Date of publication Nov. 20, 1933. Copies received Dec. 4, 1933.

Entry: Class E, pub., No. 39119
WM. L. BROWN
Acting Register of Copyrights

[SEAL]

Certificate of Registration of a Claim to Renewal Copyright ORCHIDS IN THE MOONLIGHT by Max Dreyfus, Claiming as Proprietor of Copyright in a Work Made for Hire (Edward Eliscu).

CERTIFICATE OF REGISTRATION OF A CLAIM TO RENEWAL COPYRIGHT

Registration No. R 266746

THIS IS TO CERTIFY that the statements set forth on this certificate have been made a part of the records of the Copyright Office. In witness whereof the seal of the Copyright Office is hereto affixed.

(Illegible) KAMENSTEIN
Acting Register of Copyrights
United States of America

(Seal.)

1. Renewal Claimant, Address, and Statement of Claim:

(a) Name Max Dreyfus
Address 1270 Sixth Ave., New York, N. Y.
Claiming as Proprietor of copyright in a work made for hire (Edward Eliscu)

2. (a) Title: ORCHIDS IN THE MOONLIGHT

3. Authors of Renewable Matter: Gus Kahn—Edward Eliscu—Vincent Youmans

4. Facts of Original Registration:

Original registration number: Class E. pub. No. 39119
If registered as published, give date of publication November 20, 1933
Original copyright claimant T. B. Harms Company

Original Certificate of Registration for CARIOCA.

T. B. HARMS COMPANY, New York, N. Y.

Title of music: Carioca.
From Flying Down to Rio. Words by Gus Kahn and Edward Eliscu. Music by Vincent Youmans, of the United States. With Ukulele Acc.

Date of publication Dec. 27, 1933. Copies received Dec. 29, 1933.

Entry: Class E, pub., No. 39633
WM. L. BROWN
Acting Register of Copyrights

[SEAL]

Certificate of Registration of a Claim to Renewal Copyright CARIOCA by Max Dreyfus, Claiming as Proprietor of Copyright in Work Made for Hire (Edward Eliscu).

CERTIFICATE OF REGISTRATION OF A CLAIM TO RENEWAL COPYRIGHT

Registration No. R 268323

THIS IS TO CERTIFY that the statements set forth on this certificate have been made a part of the records of the Copyright Office. In witness whereof the seal of the Copyright Office is hereto affixed.

(Illegible) KAMENSTEIN
(Seal.) Acting Register of Copyrights
United States of America

1. Renewal Claimant, Address, and Statement of Claim:

(a) Name Max Dreyfus
Address 609 Fifth Ave., New York, N. Y.
Claiming as Proprietor of copyright in a work made for hire (Edward Eliscu)

2. (a) Title: CARIOCA

3. Authors of Renewable Matter: Gus Kahn—Edward Eliscu—Vincent Youmans

4. Facts of Original Registration:

Original registration number: Class E. pub. No. 39633
If registered as published, give date of publication December 27, 1933
Original copyright claimant T. B. Harms Company

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Supreme Court of the United States

October Term, 1964

No. 1006

T. B. HARMS COMPANY,

Petitioner,

vs.

EDWARD ELISCU and ROSS JUNGNICKEL, INC.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

BRIEF OF RESPONDENT ROSS JUNGNICKEL, INC., IN OPPOSITION

LEWIS A. DREYER and
NORMA HACK,
Attorneys for Respondent
Ross Jungnickel, Inc.

Supreme Court of the United States

October Term, 1964

No. 1006

T. B. HARMS COMPANY,

Petitioner,

vs.

EDWARD ELISCU AND ROSS JUNGNICKEL, INC.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

BRIEF OF RESPONDENT ROSS JUNGNICKEL, INC., IN OPPOSITION

Opinions Below

The opinion of the United States District Court for the Southern District of New York is reported at 226 F. Supp. 337 (1964). The opinion of the Court of Appeals for the Second Circuit affirming the judgment of the District Court is reported at 329 F. 2d 823 (1964).

Jurisdiction of This Court

The judgment of the Court of Appeals was entered on December 23, 1964. The petition for a writ of certiorari was filed on March 19, 1965. The jurisdiction of this Court is invoked under Title 28 U.S.C., Sec. 2201, and Rule 19 of the Rules of this Court.

Statute Involved

The statutory provision involved is 28 U.S.C., Sec. 1338, which is as follows:

> "1338. *Patents, copyrights, trade-marks, and unfair competition.*—(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases."

Question Presented

The sole question presented to this Court is whether or not this action is one which arises under the Copyright Act so as to confer exclusive jurisdiction upon the federal court.

Statement

By virtue of numerous agreements (R. Vol. I, 6a-18a, 25a-42a) (the construction and execution of which are sharply disputed) (R. Vol. I, 59a-61a), petitioner (hereinafter called "Harms") claims to be the owner of the interests in the renewal copyrights of the musical compositions entitled "Flying Down to Rio", "Orchids in the Moonlight", "Carioca" and "Music Makes Me" (hereinafter called the "Songs") which derive from the co-authorship of respondent Edward Eliscu (hereinafter called "Eliscu").

Eliscu also claims to be the owner of said renewal copyright interests, and some several weeks before the commencement of this action, Eliscu instituted an action in the Supreme Court of the State of New York for a declaration of his title thereto (R. Vol. I, 53a).

By agreement dated September 18, 1961 (R. Vol. I, 99a-117a), Eliscu assigned to respondent Ross Jungnickel,

Inc. (herinafter called "RJ") all his right, title and interest in and to his renewal rights in the Songs, expressly, subject, however, "to such rights, if any, that T. B. Harms or R.K.O. may have" (R. Vol. I, 100a) and contingent upon the event "that a court of ultimate jurisdiction declares by a final judgment that Eliscu is the owner of said renewal rights" (R. Vol. I, 108a, 117a).

For the protection of its contingent rights, RJ caused to be recorded in the Office of the Register of Copyrights a short form assignment, dated February 19, 1962 (R. Vol. I, 73a), which referred specifically to the agreement of September 18, 1961.

RJ has at all times recognized that no rights would vest in it under the agreement of September 18, 1961, unless and until there is a final adjudication declaring that Eliscu is the owner of the renewal interests (R. Vol. I, 47a). Counsel for Harms was so informed (R. Vol. I, 50a). Harms does not dispute the wholly contingent nature of RJ's rights.[1]

Since RJ had no rights, it exercised none. Concededly, RJ has never (1) printed copies of the Songs, (2) collected any monies from any source whatsoever deriving from the copyrights therof, (3) orally or in writing made a claim to the American Society of Composers, Authors and Publishers, to Harry Fox (Harms' agent for the collection of mechanical royalties), to any record company, or to any other commercial user, to the effect that it owns or claims to own the copyright or any part thereof with respect to the Songs.[1]

Without the knowledge or consent of RJ (R. Vol. I, 48a), in June, 1963, Eliscu notified ASCAP and Harry Fox

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[1] These facts were conceded by Harms' failure to controvert the statement of undisputed facts submitted by RJ and Eliscu under Rule 9(g) of the General Rules of the District Court (R. Vol. III, 1a-3a).

of his claim of ownership and advised that all future payments which did not reflect his interest would be at the risk of the payor (R. Vol. I, 85a, 91a). Eliscu has never, in fact, received any monies as a renewal term owner (R. Vol. III, 3a).[1]

At no time before the commencement of this action did Harms give notice either to RJ or Eliscu that it claimed an infringement of its copyrights, nor was demand made for the cessation of any infringement.[1]

Argument

It is RJ's contention that this action is solely one for the declaration of title and one which does not arise under the Copyright Act of the United States.

It was conceded that RJ made none of the uses of the works which are granted or permitted under Section 1 of Title 17 U. S. C. (R. Vol. III, 1a-3a). Harms' claim of threatened infringement was found on the motion for summary judgment below to be without substance, three years having elapsed from the time of the alleged (and disputed) threatening statement without any infringing action having occurred. R. Vol. I, 128a and see Title 17, U. S. C. Section 115(b).

The only acts relied upon by Harms were (a) the filing, by Eliscu, of an adverse claim to the renewal copyrights, (b) the filing by RJ of its contingent assignment, (c) Eliscu's notice to Harms' agents that any payment they made to Harms in disregard of his rights would be made at their peril and (d) the commencement, by Eliscu, of

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[1] These facts were conceded by Harms' failure to controvert the statement of undisputed facts submitted by RJ and Eliscu under Rule 9(g) of the General Rules of the District Court (R. Vol. III. 1a-3a).

an action for declaratory judgment in the Supreme Court of the State of New York.

While these acts may constitute a slander of the Petitioner's title, they do not constitute acts prohibited by the Copyright Act. (*Nimmer on Copyright* (1963) § 110.6, pp. 452-3).

Whether Harms predicates its claim upon the alleged assignment agreement with Max Dreyfus, which is referred to in the body of the complaint (R. Vol. I, 15a), or the alleged contract of employment with RKO, which is attached as an exhibit to the complaint (R. Vol. I, 25a-33a), the only issues are the ownership of the renewal copyrights, as may be determined from a construction of the contract which is found to be controlling and the enforcement of contractual rights thereunder. Such an action does not "arise under" the copyright laws of the United States and Federal jurisdiction is lacking. (*Luckett* v. *Delpark, Inc.*, 270 U. S. 496 (1926); *Danks* v. *Gordon*, 272 Fed. 821 (2d Cir. 1921): See also cases collated in *Muse* v. *Mellin*, 212 F. Supp. 315 (S. D. N. Y. 1962), aff'd, per curiam, 339 F. 2d 888, 2d Cir. 1964). There is here no necessity for the construction of any part of the Copyright Act. No novel questions arising under the Act are at issue. The only construction required is that of the alleged contracts.

Harms now raises the issue of the possible applicability and meaning of that part of Section 24, Title 17 U. S. C. which refers to corporate body works. Whatever that section may mean (and there is in serious doubt as to whether it has any meaning whatsoever, see, *Shapiro, Bernstein & Co., Inc.* v. *Bryan*, 2d Cir. 1941, 123 F. 2d 697), it has no relevance here. All of the renewal registrations made by Harms with respect to Eliscu's interest were made solely as a proprietor of works made for hire.

No Federal issue is raised by the possible necessity for the determination of the quantum of the respective inter-

ests of Eliscu and his co-authors in the renewal copyrights at issue. The status of co-authors, *inter sese*, has been adjudicated by the Federal courts in numerous cases which have consistently held the relationship to be that of tenants-in-common (*Silverman* v. *Sunrise Productions Corporation*, 273 Fed. 909 (2d Cir. 1921); *Edward B. Marks Music Corp.* v. *Jerry Vogel Music Co., Inc.*, 42 F. Supp. 859 (S. D. N. Y. 1942); *Maurel* v. *Smith*, 220 Fed. 195 (S. D. N. Y. 1915), affd. 271 Fed. 211 (2d Cir. 1921); *Piantadosi* v. *Loew's, Inc.*, 137 F. 2d 534 (9th Cir. 1943); *Shapiro, Bernstein & Co., Inc.* v. *Jerry Vogel Music Co., Inc.*, 73 F. Supp. 165 (S. D. N. Y. 1947). Their respective rights are those which, under the common law, flow from that relationship.

The rule was restated in the recent case of *Sweet Music, Inc.* v. *Melrose Music Corp.*, 189 F. Supp. 655, 659 (S. D. Cal., Cent. Div. 1960):

> "Moreover, looking to the analogy of tenants-in-common generally, the long settled rule is that 'if their shares are not fixed in the deed or will creating the cotenancy, they take in equal shares.' 2 American Law of Property § 6.5 (Casner ed. 1952)."

It is clearly within the jurisdiction and competence of the Supreme Court of the State of New York to make any determination, either of law or fact, under that rule or any other aspect of the tenancy-in-common relationship which may arise in the pending action. (*Harrington* v. *Mure*, 186 F. Supp. 655 (S. D. N. Y. 1960); *Cresci* v. *Music Publishers Holding Corp.*, 210 F. Supp. 253 (S. D. N. Y. 1962).)

Harms argues that Federal jurisdiction is necessary, in the event it is successful, to remove the cloud on its title in the office of the Register of Copyrights. As Judge Weinfeld said in the District Court below (R. Vol. I, 129a):

> "The claim is one for declaration of ownership of the renewal interest based upon Eliscu's co-authorship of the four compositions—the very issue

presented by the pending suit in the Supreme Court of the State of New York. That Court has jurisdiction of the question of title and, if the facts warrant it, power to compel Eliscu to execute an assignment of his interest and a cancellation of the assignment filed in the copyright office. (New Marshall Engine Co. v. Marshall Engine Co., 223 U. S. 473 (1912).)''

CONCLUSION

For the foregoing reasons, it is respectfully submitted that the petition for a writ of certiorari should be denied.

April 15, 1965.

Respectfully submitted,

LEWIS A. DREYER and
NORMA HACK,
Attorneys for Respondent
Ross Jungnickel, Inc.

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T. B. HARMS COMPANY,
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Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Second Circuit

BRIEF OF RESPONDENT EDWARD ELISCU IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

LEONARD J. LINDEN
Attorney for Respondent Edward Eliscu
Office & P. O. Address
597 Fifth Avenue
Room 905
New York, N. Y. 10017

BELLA L. LINDEN,
DAVID BLASBAND,
LINDEN & DEUTSCH
Of Counsel

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BRIEF OF RESPONDENT EDWARD ELISCU IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

This brief is submitted on behalf of respondent, EDWARD ELISCU, a defendant in the above captioned matter, in opposition to plaintiff's petition for a Writ of Certiorari. Petitioner's complaint was dismissed by Judgment of the United States District Court for the Southern District of New York, EDWARD WEINFELD, Judge, 226 F. Supp. 337 (1964), for want of federal jurisdiction. Judge Weinfeld's decision was affirmed by the United States Court of Appeals for the Second Circuit at 329 F. 2d 823 (1964).

Questions Presented

a. Does the complaint set forth a claim arising under the Copyright Act of the United States?

b. Does the complaint raise any important question of federal law?

Statement of the Case

Edward Eliscu (hereinafter called "Eliscu"), one of the defendants herein, is a co-lyricist of the four musical compositions written in 1933 for the motion picture "Flying Down to Rio", which compositions are the subject matter of the instant action. Petitioner T. B. Harms Company (hereinafter called "Harms"), was the publisher of the said compositions for the initial term of copyright, pursuant to an agreement between the parties. Harms contends that it became vested with the publishing rights to the compositions during the renewal term of copyright as well, pursuant to other documents which it proffers as constituting the agreement between the parties (R. 52a-53a).[1]

Eliscu obtained Certificates of Registration in and to the renewal terms of copyright of each of the four compositions in November and December, 1961 (R. 52a-53a).

Eliscu commenced action in the New York State Supreme Court seeking a declaratory judgment on Septem-

1. (R.) refers to the appendix to the brief of petitioner, T. B. Harms Company, in the U. S. Circuit Court of Appeals. (Eliscu R.) refers to the appendix of respondent, Edward Eliscu, in the U. S. Circuit Court of Appeals.

ber 9, 1963. The essence of Eliscu's New York State claim is that under his agreement, Harms' rights expired at the end of the initial term of copyright and that he, Eliscu, be declared owner of the renewal terms.[2] In addition, Eliscu seeks an accounting of monies received by Harms with respect to the exploitation of the compositions during the renewal terms (R. 53a).

Seven weeks after Eliscu commenced his New York State action, Harms instituted the instant action wherein it also seeks a declaratory judgment as to the ownership of Eliscu's renewal interests in the same compositions and claims that an agreement entered into between Eliscu and Ross Jungnickel, Inc. which contingently transferred Eliscu's interest in the renewal terms to that publisher, subject to a successful determination of Eliscu's New York State court action, constituted copyright infringement. Harms also contends that notifications by Eliscu's attorneys of Eliscu's claims to royalty collecting agencies infringed its copyrights (R. 5a-42a).

The facts and issues appearing in the Record in the instant action are identical to those which will be determinative of the New York State Supreme Court action.

The basic issue which the parties seek determined in both actions is whether certain documents constitute the

2. A copy of Eliscu's New York Supreme Court complaint is set forth at pages 4(a) through 8(a) of the Appendix to respondent, Eliscu's Brief in the United States Circuit Court of Appeals. It should be noted that extensive examinations before trial of both plaintiff and defendant have been held in the New York State Supreme Court action which was commenced nineteen months ago (R. 53a; Eliscu R. 13a).

agreement between the parties with respect to Eliscu's co-authorship of the compositions. The parties each place reliance on different documents. The questions to be determined are: whether Eliscu ever executed a document which Harms claims to constitute the agreement; whether another document submitted by Harms constituted a limited grant by Eliscu to RKO Studios, Inc. (Harms' alleged assignor) of only the right to use the compositions for the motion picture "Flying Down to Rio"; or whether the terms of such agreement with RKO Studios, Inc. included a full grant of the renewal terms of copyright in and to the compositions. Thus, the dispute between the parties is solely one arising under principles of state contractual law.

The Record reveals only two documents claimed by Harms to constitute a conveyance by Eliscu of his renewal term interests. One such document is an agreement dated May 25, 1933, between Eliscu and RKO Studios, Inc., wherein Eliscu agreed to write the lyrics to three of the compositions in question for use in RKO's motion picture "Flying Down to Rio" (R. 25a-33a). However, contrary to Harms' claim, the May 25, 1933 agreement did not provide for Eliscu's renewal term of copyright. Such agreement by its very terms constituted a grant by Eliscu to RKO only of the right to use the compositions in connection with the motion picture "Flying Down to Rio". In fact, the agreement expressly reserved to Eliscu the publication, mechanical and so-called "small performing rights" in the lyrics, the ownership of which rights constitutes the basis of both the instant action and Eliscu's prior New York State action (R. 31a).

The only other document claimed by Harms to constitute a conveyance by Eliscu of his renewal term rights is a document designated "June ——, 1933."[3] Harms claims that such document constitutes an express grant by Eliscu of his renewal term interests to Harms' assignor, Max Dreyfus. Eliscu denies having ever executed such a document. In this connection, the Record is clear that Harms does not have possession of any such document bearing Eliscu's signature (R. 60a). In fact, it is undisputed that the only document in the possession of Harms is one in which the name "Edward Eliscu" and the date "June 30, 1933" were inserted by Harms' then House Counsel (Eliscu R. 11a).

Thus, the principal issue to be decided is whether or not Eliscu ever executed the "June ——, 1933" document. That such issue will be determinative of the dispute between the parties was recognized by both Judge Weinfeld in his United States District Court Opinion and by Judge Friendly in his Circuit Court Opinion.

Judge Weinfeld held in dismissing the complaint:

> "* * * The fundamental controversy revolves about whether or not the defendant Eliscu executed an agreement dated June 30, 1933." (R. 124a)
>
> "The essential ground of the defendants' motion is that despite allegations of copyright infringement, the undisputed facts show that no acts have been committed or threatened which in any respect violate the

3. The blank appearing in the designation "June ——, 1933" refers to the description of the document in the Record claimed by petitioner to be an agreement dated June 30, 1933, allegedly executed by Eliscu.

copyrights, and that the hard core of the plaintiff's claim is one of title to a one-third interest in the renewal terms of the four songs, the very issue posed in the earlier suit commenced by Eliscu in the State Supreme Court, and that since all the parties are New York citizens, the Court is without jurisdiction over the subject matter." (R. 123a)

* * *

"On the entire record here presented there is no evidence to support a claim of infringement, actual or threatened, of the four copyrights so as to vest this Court with jurisdiction under the Copyright Act, and accordingly the motion to dismiss for lack of jurisdiction is granted. The claim is one for declaration of ownership of the renewal interest based upon Eliscu's coauthorship of the four compositions—the very issue presented by the pending suit in the Supreme Court of the State of New York. That Court has jurisdiction of the question of title and if the facts warrant it, power to compel Eliscu to execute an assignment of his interest and a cancellation of the assignment filed in the copyright office."[14] (R. 129a)

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14. *New Marshall Engine Co.* v. *Marshall Engine Co.*, 223 U. S. 473 (1912).

Judge Friendly, in his Circuit Court of Appeals Opinion stated:

"Allegedly—and his denial of this is a prime subject of dispute—Eliscu then entered into an Agreement dated June 30, 1933, assigning his rights to the existing and renewal copyrights to Dreyfus in return for certain royalties." (Petitioner's brief 40-41)

* * *

> "The crucial issue is whether or not Eliscu executed the assignment to Dreyfus; possibly the interpretation of the initial May, 1933 contract is also relevant but if any aspect of the suit requires an interpretation of the Copyright Act, the complaint does not reveal it." (Petitioner's brief 46)

Contrary to plaintiff's claim there do not exist any special or important reasons for this Court to consider any issues presented by this case. The fact is, no federal questions have been raised by the complaint. The entire dispute between the parties turns on a purely factual issue, whether defendant Eliscu has ever executed any agreement wherein he conveyed away his renewal rights in and to the copyrights to the four compositions in question.

The Circuit Court of Appeals correctly held:

> "Mindful of the hazards of formulation in treacherous area, we think that an action 'arises under' the Copyright Act if and only if the complaint is for a remedy expressly granted by the Act, e.g., a suit for infringement or for the statutory royalties for record reproduction, 17 U. S. C. §101, cf. *Joy Music, Inc.* v. *Seeco Records, Inc.*, 166 F. Supp. 549 (S. D. N. Y. 1958), or asserts a claim requiring construction of the Act, as in *De Sylva*, or, at the very least and perhaps more doubtfully, presents a case where a distinctive policy of the Act requires that federal principles control the disposition of the claim. The general interest that copyrights, like all other forms of property, should be enjoyed by their true owner is not enough to meet this last test." (Petitioner's brief 47)

Insofar as plaintiff Harms attempted to bring its action within the purview of a copyright infringement claim,

the Circuit Court of Appeals correctly sustained Judge Weinfeld's holding that the complaint failed to allege any act or threat of copyright infringement. In this connection, Judge Friendly held:

> "Infringement, as used in copyright law, does not include everything that may impair the value of the copyright; it is doing one or more of those things which Section 1 of the Act, 17 U. S. C. Section 1, reserves exclusively to the copyright owner. See Nimmer, Copyright Section 100, 141 (1963). The case did not even raise what has been the problem presented when a defendant licensed to use a copyright or a patent on certain terms is alleged to have forfeited the grant; in such cases federal jurisdiction is held to exist if the plaintiff has directed his pleading against the offending use, referring to the license only by way of anticipatory replication, but not if he has sued to set the license aside, seeking recovery for unauthorized use only incidentally or not at all. See Chief Justice Taft's review of the cases in *Luckett* v. *Delpark*, 270 U. S. 496 (1926); and Hart & Wechsler, The Federal Courts and the Federal System, 754-58 (1953). Here neither Eliscu nor Jungnickel had used or threatened to use the copyrighted material; their various acts, as the district judge noted, sought to establish their ownership of the copyrights by judicial and administrative action, including notice to the parties concerned." (Petitioner's brief 41-42).

POINT I

The Circuit Court of Appeals correctly held that an action "arises under" the Copyright Act only if the complaint is for a remedy expressly granted by the Act.

At the outset it should be noted that there is no claim of diversity of citizenship among the parties. Accordingly, Federal jurisdiction will lie only if the complaint sets forth a claim "arising under" an Act of Congress, in this case the United States Copyright Act. Title 17, U. S. Code. Contrary to petitioner's position, an action to determine title to a copyright does not constitute such a claim.

The criteria for determining when an action "arises under" an Act of Congress has been set forth by Mr. Justice Cardozo of this Court as follows:

> "To bring a case within the statute, a right or immunity created by the Constitution or laws of the United States must be an element, and an essential one, of the plaintiff's cause of action. *Starin* v. *New York*, 115 U. S. 248, 257, 29 L. ed. 383, 390, 6 S. Ct. 28; *First Nat. Bank* v. *Williams*, 252 U. S. 504, 512, 64 L. ed. 690, 692, 40 S. Ct. 372. The right or immunity must be such that it will be supported if the Constitution or laws of the United States are given one construction or effect, and defeated if they receive another. Ibid.; *King County* v. *Seattle School Dist.*, 263 U. S. 361, 363, 364, 68 L. ed. 339-341, 44 S. Ct. 127. A genuine and present controversy, not merely a possible or conjectural one, must exist with reference thereto (*New Orleans* v. *Benjamin*, 153 U. S. 411, 424, 38 L. ed. 764, 769, 14 S. Ct. 905; *Defiance Water Co.* v. *Defiance*, 191 U. S. 184, 191, 48 L. ed. 140, 143, 24 S. Ct. 63; *Joy* v. *St. Louis*, 201 U. S. 332, 50 L. ed. 776, 26 S. Ct. 478;

Denver v. *New York Trust Co.*, 229 U. S. 123, 133, 57 L. ed. 1101, 1120, 33 S. Ct. 697." *Gully* v. *First National Bank*, 299 U. S. 109, 112-113 (1936).

Under the above criteria set forth by Mr. Justice Cardozo, an action to determine title to a copyright *inter se* the author and an alleged assignee is clearly not one "arising under" an Act of Congress. No interpretation of the Copyright Act is required to ascertain the contents of an agreement, or whether a document was in fact executed.

POINT II

An action to determine the existence of an agreement to assign a copyright is not one "arising under" the Copyright Act.

An action seeking to determine title to a copyright or patent has long been held as one not "arising under" the copyright or patent statutes. *New Marshall Engine Co.* v. *Marshall Engine Co.*, 223 U. S. 473, 478 (1912). The courts have consistently held that a claim of title to a copyright, unaccompanied by acts that violate the copyright itself, is not one arising under the laws of the United States. *Luckett* v. *Delpark, Inc.*, 270 U. S. 496, 502 (1926); *Danks* v. *Gordon*, 272 Fed. 821, 827 (2d Cir. 1921); *Muse* v. *Mellin*, 212 F. Supp. 315, 318 (S. D. N. Y. 1962); *Southern Music Publishing Co.* v. *C. & C. Films, Inc.*, 171 F. Supp. 832, 833 (S. D. N. Y. 1959).

Professor Nimmer, in his noted treatise, "Nimmer on Copyright", states:

> "The mere claim of right of ownership in a copyrighted work will not give rise to an action under the

> Copyright Act unless there has been infringing conduct based upon such asserted right. However, a false assertion as to the ownership of a copyrighted work may give rise to an action for slander of title, or under the somewhat broader concept of disparagement, or for libel or slander. The better view, however, is that no actionable wrong results from a good faith but erroneous claim of copyright." Nimmer on Copyright (1963), Sec. 110.6, pp. 452-3.

Such a limitation on the jurisdiction of the federal courts is completely consistent with the criteria that a claim must be founded "directly" upon federal law. See Mishkin, The Federal "Questions" in the District Court, 53 Columbia Law Review, 157.

To permit the federal courts to entertain disputes with respect to the contractual relationship of the parties simply because the property that was the subject matter of the agreement consisted of title to copyrighted works or to property in which copyright is involved (books, motion pictures, architecture, works of art; even the sale of securities of a company owning copyrighted works), would flood the federal courts with cases that have minimal or no national significance.

Contrary to petitioner's assertion, the Declaratory Judgment Act, Title 28, U. S. C. Section 2201, in no way expands the jurisdiction of the federal courts to include questions involving the existence or non-existence of an agreement to convey ownership of a copyright. It is well settled that the Declaratory Judgment Act does not enlarge the jurisdiction of the federal courts to entertain disputes beyond the power granted by Section 1338 of Title 28:

> "The operation of the Declaratory Judgment Act is procedural only." *Aetna Life Ins. Co.* v. *Haworth*, 300 U. S. 227, 240 * * * Congress enlarged the range of remedies available in the federal courts but did not extend their jurisdiction. When concerned as we are with the power of the inferior federal courts to entertain litigation within the restricted area to which the Constitution and Acts of Congress confine them, 'jurisdiction' means the kind of issues which give right of entrance to federal courts. Jurisdiction in this sense was not altered by the Declaratory Judgment Act." *Skelly Oil Co.* v. *Phillips Petroleum Co.*, 339 U. S. 667, 671 (1949).

The above quoted rule has also been held applicable to copyright cases. *Wells* v. *Universal Pictures Co., Inc.*, 166 Fed. 2d 690 (2d Cir. 1948); *Southern Music Publishing Co.* v. *C. & C. Films, Inc.*, D. C. S. D. N. Y. (1959), 171 F. Supp. 832; *Cresci* v. *Music Publishers Holding Corp.*, D. C. S. D. N. Y. (1962), 210 F. Supp. 253.

POINT III

Petitioner has failed to allege acts of infringement on the part of defendants Eliscu or Ross Jungnickel.

As Judges Weinfeld and Friendly correctly held, petitioner has alleged no acts which constitute infringement. Admittedly, if petitioner had alleged valid acts of infringement on the part of either of the defendants, federal jurisdiction would lie to enjoin such infringement and for damages. Such jurisdiction is expressly provided by Sections 101 and 112 of the Copyright Act. As set forth above, in the absence of a valid claim for infringement, federal jurisdiction does not lie.

The acts alleged by petitioner to constitute an infringement of copyright are as follows:

(a) That Eliscu commenced his New York State action for declaratory judgment seeking an adjudication that he retains ownership of the copyright for the renewal term;

(b) That Eliscu's attorney wrote a letter to ASCAP advising of Eliscu's claim of ownership and demanding payment of his share as copyright owner of the proceeds derived from the public performance of the compositions;

(c) That Eliscu's attorney wrote a similar letter to Harry Fox, agent and trustee with respect to the mechanical recording license fees;

(d) That Eliscu and Jungnickel entered into an agreement pursuant to which Eliscu assigned his interest in the renewal terms of copyrights to Ross Jungnickel, Inc., which agreement by its express terms provided that it would not become effective unless and until Eliscu was declared owner of the copyrights as a result of a New York State action;

(e) That notice of the aforesaid contingent assignment by Eliscu to Ross Jungnickel was filed in the Office of the Register of Copyrights.

The District and Circuit Courts held that none of the above acts constituted an infringement of copyright. It is undisputed that neither Eliscu nor Ross Jungnickel either used or threatened to use the copyrighted works. In fact, their agreement by its very terms would not become effective until judicial determination of Eliscu's rights. (Eliscu R. 1a-3a).

None of the acts complained of by petitioner amounts to any more than a claim of ownership by Eliscu to his compositions. They in no manner constitute a violation of the rights given to the copyright owner by Section 1 of the Copyright Act. As Judge Weinfeld held, such acts "* * * are not in derogation of the copyrights, but in affirmance of their validity" (R. 127). *Dill Mfg. Co.* v. *Goff*, 125 F. 2d 676, 677 (6th Cir.), cert. denied, 317 U. S. 672 (1942). If a good faith but erroneous claim of ownership to a copyright and the institution of an action seeking to enforce such claim were held to be infringement of copyright, the consequences would be that many authors would be fearful of bringing actions in good faith in an attempt to assert their rights. It is respectfully urged that the threat of such consequences would impair the public policy of allowing each individual his day in court without risk of penalty for seeking judicial aid.

POINT IV

There exist no novel or important questions of federal law to be determined herein.

The only two agreements which petitioner alleges Eliscu to have executed are the "June ____, 1933" agreement, and the "May 25, 1933" agreement with RKO Studios, Inc. Eliscu denies ever having executed the "June ____, 1933" agreement, and petitioner admits that it does not have possession of any such document bearing Eliscu's signature (Eliscu R. 11a). Clearly, the determination of whether or not Eliscu did execute such agreement is not one of federal law.

There is no dispute as to what rights enure to an employer-for-hire under the Copyright Act. The dispute between the parties is concerned solely with their contractual rights and obligations under the May 25, 1933 agreement between Eliscu and RKO Studios, Inc. The May 25, 1933 agreement which Eliscu admits having executed, by its very language grants RKO only the right to use the compositions in connection with the motion picture "Flying Down to Rio" (R. 31a). In any event, the question as to what an agreement states in no way raises a federal issue.

The complaint raises no issue of federal law to be determined under Section 1(e) of the Copyright Act, which provides for the payment of royalties to the copyright owner with respect to mechanical reproduction of a musical work (Phonograph records, etc.), nor is the action brought under Section 1(e). In fact, the complaint does not allege that Eliscu has been receiving mechanical royalties which belong to petitioner. Moreover, it is undisputed that only petitioner has received the copyright owner's share of moneys derived from the licensing of mechanical reproductions (Eliscu R. 1a, 2a). The issue as to which of the parties will be entitled to mechanical royalties is ancillary to the dispute between the parties. If Eliscu's contentions with respect to his agreements with Harms and RKO are sustained by the New York State Supreme Court, then he will be entitled to all rights given by the Copyright Act to a copyright owner, including the right to license and receive royalties from the mechanical reproduction of his compositions. If Harms is sustained, then such rights will enure to it.

The complaint reveals no novel federal question with respect to the division of interests in and to the copyright

between Eliscu and his co-authors, Gus Kahn and Vincent Youmans. The respective shares of co-authors of a copyrighted work are determined by the rules applicable to tenants-in-common. *Silverman* v. *Sunrise Productions Corp.*, 273 Fed. 909 (2d Cir. 1921); *Edward B. Marks Music Corp.* v. *Jerry Vogel Music Co., Inc.*, D. C. S. D. N. Y. (1942) 42 F. Supp. 859; *Sweet Music, Inc.* v. *Melrose Music Corp.*, D. C. S. D. N. Y. (1960) 189 F. Supp. 655.

Petitioner's complaint raises no novel or crucial federal issue with respect to the claim that Eliscu's recording a contingent assignment to Ross Jungnickel, Inc. in the Copyright Office has placed a cloud on petitioner's title. It has long been the rule that an action seeking to remove a cloud on a title to a patent or copyright does not vest the federal court with jurisdiction of the cause as one arising under the patent or copyright laws. *Luckett* v. *Delpark, Inc.*, 270 U. S. 496 (1926).

Conclusion

The complaint fails to state a claim arising under any law of the United States, nor does it raise any novel or important issues which require determination by this Court. Accordingly, it is respectively submitted that the petition for a writ of certiorari should be denied.

Dated: April 23, 1965.

Respectfully submitted,

LEONARD J. LINDEN
Attorney for Respondent
Edward Eliscu

BELLA L. LINDEN,
DAVID BLASBAND,
LINDEN & DEUTSCH
Of Counsel